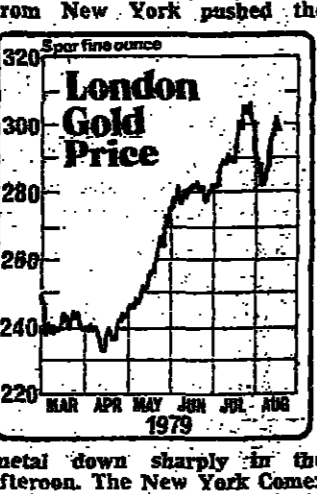


NEWS SUMMARY

GENERAL  
Threat of UDA backlash in Ulster

BUSINESS  
Gold falls \$4 1/2; Equities up 5.8

Leaders of the Ulster Defence Association said that they intended to take a "positive and arbitrary role" in retaliation for Sunday's show of strength by the Provisional IRA in Belfast.



Democratic Unionist Party leader Ian Paisley said the government had "surrendered" its part of Ulster to the IRA.

GOLD lost \$4 1/2 an ounce in London to close at \$297 1/2. Selling from New York pushed the metal down sharply in the afternoon.

U.S. mayor and police accused

STERLING closed at \$2.2360, a fall of 1.15 cents. Its trade-weighted index fell to 71.2 (71.5). Dollar's index rose to 84.5 (84.3).

Tehran attack

WALL STREET closed up \$20 at \$75.28.

Arsonists seen

MORE than 2,000 workers at Chrysler UK's Linwood plant in Scotland have been told they will be laid off tomorrow because of the six-week strike at the company's Coventry factory.

Quiet grouse

UP TO 2,000 permanent jobs could be created by plastics manufacturers setting up plants at Mossmorran, Fifeshire, to use ethylene produced by the planned ethane cracker, said Mr. Jay Dalgetty, a director of Esso Chemicals.

Train derailed

LEIFTHANSA, the West German airline, has announced across-the-board fare increases of between 4 and 10 per cent for its internal and international routes.

Rescuers toll

THE cost of starting up as a farmer leapt by 50 per cent in the last 12 months, according to a Manchester University study.

Euro-poll day

BRITISH Petroleum is planning an exploration well in Dorset in the hope of finding an oil reservoir beneath its Kimmeridge Field.

Briefly

FRANCE expects a wine harvest this year of 70m hectolitres, almost 8 per cent above average, and 21 per cent more than last year.

Table with columns for various commodities and their prices. Includes items like Aspic Biscuit, Beefham, and various oils.

Engineering unions to consider tougher industrial action

Engineering union leaders will today consider intensifying industrial action in support of their industry-wide pay claim in the face of a hardening stance by employers.

Chrysler 'collapse no threat to U.S.'

THE COLLAPSE and disappearance of Chrysler Corporation would have no serious lasting impact on the U.S. economy or employment, according to a report prepared for the Congressional Budget Office.

Sharp rise in output viewed with caution

ECONOMIC ACTIVITY has picked up sharply in the last few months from the depressed levels of the winter and there are no signs yet of an early recession.

Table titled 'INDUSTRIAL PRODUCTION 1975=100, seasonally adjusted'. Shows data for 1978 and 1979 across various months.

Call for new definition of bank capital

THE BANK of England is proposing major changes in the criteria used to determine whether banks have adequate capital resources.

Retail sales in July down by 10%

RETAIL SALES dropped 10 per cent in volume last month after the Budget spending boom of June.

Lead Industries £22m U.S. deal

LEAD INDUSTRIES has agreed to pay \$50m (£22.3m) cash for several operations of NL Industries of New York in a deal that will significantly increase the UK company's U.S. turnover.

Table titled '£ in New York' showing exchange rates for various periods (Spot, 1 month, 3 months, 12 months).

Contents

Table of contents listing various articles and their page numbers, including Motor Industry, Video equipment, and Management.

Advertisement for CRENDON concrete products. Features a large image of a building under construction and text describing the benefits of Crendon reinforced precast structures.

FOREST FIRES RAVAGE SOUTHERN EUROPE

French blazes ease after four days

ST. TROPEZ — Forest fires ravaging the hills above the French Riviera have been brought under control but a sudden increase in wind could fan the flames again, officials said yesterday.

Exhausted fire-fighters were being replaced by some 1,500 relief firemen and troops after four days of continuous battles against the devastating blazes which swept tinder-dry woodland and razed more than 25,000 acres between Marseilles and St. Tropez.

They saw suspected arsonists in three cars near the heart of a blaze. The same three cars, a white Mercedes, an orange Peugeot and a Citroen, had been seen near the centre of other fires shortly before they took hold, police said.

Relief firemen and troops were mobilised over the weekend in a nationwide operation to replace hundreds of fire-fighters, many of whom have gone without sleep for several days. Over 20 firemen have been injured, one seriously, over the past four days.

Ceausescu arms call to U.S. delegation

ROMANIA'S President Nicolae Ceausescu has resumed his criticism of the Soviet Union with a thinly-veiled appeal that Governments should reduce their military budgets and use the money to overcome economic underdevelopment.

The Romanian leader's latest remarks are calculated to anger the Russians further as they were made at a meeting in Bucharest with a visiting U.S. Congressional delegation headed by Mr. John Brademas, a member of the Democratic leadership in the House of Representatives.

In recent months, Mr. Ceausescu has loosened his country's ties with Comecon by purchasing four nuclear reactors from Canada instead of from the Soviet Union. He has also aroused the ire of the Soviet leadership by announcing that "not a single soldier" of the Romanian army would ever take orders from outside the country.

Defying a court order, Greek bank employees went on a 24-hour strike yesterday in protest against Government measures affecting their working hours, reports AP-DJ from Athens.

Meeting with Arafat sparks clash over Bonn Mideast policy

BY ROGER BOYES IN BONN

A MEETING between a West German Free Democrat (FDP) politician and Mr. Yassir Arafat, the Chairman of the Palestine Liberation Organisation, has sparked off a row about Bonn's policies in the Middle East.

Confusion now reigns however. The presentation of the paper—initially described as a "secret plan" by German and Dutch Press reports from Beirut—seemed to endow Herr Moellemann with an almost necessary-like authority.

Observer role for Spain at non-aligned summit

BY ROBERT GRAHAM IN MADRID

SPAIN IS to attend as an observer the non-aligned summit conference in Havana in early September. This was announced by Sr. Marcelino Oreja, the Spanish Foreign Minister, as Sr. Adolfo Suarez, the Prime Minister, met yesterday from a nine-day visit to Latin America.

A STRIKE by petrol pump attendants yesterday paralysed more than 60 per cent of the filling stations in Spain. The stoppage, which is over a pay and work conditions dispute, is due to continue until Thursday.

Whether this will satisfy the Israelis is open to question. There have been signs recently of strain between Bonn and Israel, following the postponement of Chancellor Helmut Schmidt's trip to Israel and his reported opposition to Israel's settlement policies together with Herr Brandt's meeting with Mr. Arafat.

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Strike shuts petrol stations

BY OUR MADRID STAFF

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EEC cash control row threatens

By Elinor Goodman, Lobby Staff

THE European Parliament's committee on budgetary control risks, at its first meeting in September, an immediate confrontation with the Brussels Commission.

The report warns that the democratic control over Community finance is so inadequate that it throws the whole future of the Community into question.

It deals specifically with the 1977 budget but will almost certainly be used by the new MPs as ammunition in their campaign to make the Commission more accountable.

At present, the Parliament claims that Lord Bruce's report has no official status because the full committee was not able to discuss it before the June election.

MPs will eventually have to deal with the 1977 budget, so the report cannot be ignored.

German refit for pride of France

BY ROBERT MAUTHNER IN PARIS

ONCE THE pride of the French merchant navy, the former transatlantic ocean liner France is due to slip out of the Port of Le Havre before dawn tomorrow for a refit in a West German shipyard before starting a life as a Norwegian cruise ship in the Caribbean.

At least that is the plan. The Communist-led CGT union has threatened a fight to the finish to prevent the departure of this symbol of French prestige, even though it is no longer in French ownership.

After flying the French flag for 12 years on the Atlantic route to North America, and subsequently as a cruise ship in the Caribbean and Mediterranean the France was sold in 1977 to Mr. Akram Ojibeh, a Saudi businessman, for FF 80m (about £8.7m).

Mr. Ojibeh hoped to turn it into a floating hotel on the West Coast of the United States or in the Caribbean.

The project never materialised. The France lay rusting on the quayside at Le Havre until Mr. Knut Kloster, a Norwegian shipowner, bought her for slightly less than FF 80m in June this year and rebaptised the vessel Norway.

Mr. Kloster's who also intends to turn his new acquisition into a cruise ship for Caribbean holidaymakers, has committed the ultimate sin in French eyes of giving the order for refitting and converting the Norway to the West German Hagap Lloyd shipyards in Bremen, instead of to a French yard.

Mr. Kloster has argued that the leader by Le Havre shipyards was uncompetitive, the West German bid was as much as \$35m cheaper and the Germans offered completion three months earlier.

This last blow to national pride has infuriated the unions. While they do not dispute Mr. Kloster's economic arguments, they consider that the French Government should have stepped in to enable a French shipyard to win the refitting order.

WORK HAS started on a 600 MW magnetohydrodynamics (MHD) power station at Ryazan, 140 miles south-east of Moscow. It will be the world's first industrial-scale MHD plant.

Mr. Petr Neporozhny, Minister for Power and Electrification, says the station will consist of a MHD unit of 200-250 MW plus a 300 MW steam turbine. It is due to begin working by 1985.

The process involves burning fuel at extremely high temperature, salting it with a ionizer, and driving the resulting plasma through a magnetic field to produce electricity. It is clean and operates with an efficiency of about 50 per cent, compared with about 20 per cent for other methods.

Unemployment dropped from 97,000 in June to 86,000 in July, with the number of young people without jobs falling from 47,000 to 37,000.

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Swedish industry concern over inflation and exports

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

ALTHOUGH THEIR order books continue to swell and the number of unemployed is shrinking, Swedish industrialists are increasingly anxious about domestic inflation and a possible weakening in demand for exports.

Both these negative developments are blamed on energy price increases.

It is now certain that the Swedish consumer price index will break through the 5 per cent threshold to allow the unions to call for new wage talks.

Soviet Union pioneers MHD power plant

By Our Foreign Staff

WORK HAS started on a 600 MW magnetohydrodynamics (MHD) power station at Ryazan, 140 miles south-east of Moscow. It will be the world's first industrial-scale MHD plant.

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Greek banks strike

BY OUR MADRID STAFF

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Cutler-Hammer International Finance, Inc. (Now Cutler-Hammer World Trade, Inc.) 7 3/4 % Guaranteed Debentures Due 1980

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of September 1, 1968 as supplemented by Supplemental Indentures dated as of December 29, 1972 and March 30, 1979, under which the above debentures were issued, First National City Bank (now Citibank, N.A.) as Trustee, has drawn 7 3/4 % for redemption on September 1, 1979 through the operation of the Sinking Fund provided for in the said Indenture.

Table with columns for Coupon Number, Coupon Amount, and Maturity Date. Includes a list of 100 coupons.

The Debentures specified above will become due and payable, and UPON PRESENTATION AND SURRENDER THEREOF (with all coupons pertaining thereto, maturing after September 1, 1979), will be paid on said redemption date at the S.B.D.-Multinational Securities Bond Window—2nd Floor of Citibank, N.A., 111 Wall Street, New York, N.Y. 10043, at the main offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt/Main, London (Citibank House), Milan, Paris, and at the main offices of Kredietbank S.A. Luxembourgise in Luxembourg. On and after said redemption date, interest on the Debentures specified above will cease to accrue.

Coupons due September 1, 1979 should be detached and presented for payment in the usual manner. CUTLER-HAMMER WORLD TRADE, INC. BY: CITIBANK, N.A. as Trustee

Giles Merritt reports from Luxembourg on problems facing Arbed Wide social effects of restructuring

ARBED, THE Luxembourg-based giant that is Europe's fourth largest steel producer, is in the throes of a radical restructuring programme that by 1984 will have cost more than LuxFr 40bn (about £26m) and cut by more than one man in five the workforce of 60,000 in its plants in iron and steel operations in Luxembourg.

Relying as it must on exports for 97 per cent of its sales, Arbed's modernisation and cost-cutting plan is arguably the most radical yet mounted by any of the European Economic Community steel producers.

At the Esch-Belval complex, the core of Arbed's Luxembourg operations, the only new blast furnace being built in Europe nears completion. It towers over the two smaller furnaces there and its angular bulk is the outward sign of Arbed's determination to get back into the black by next year.

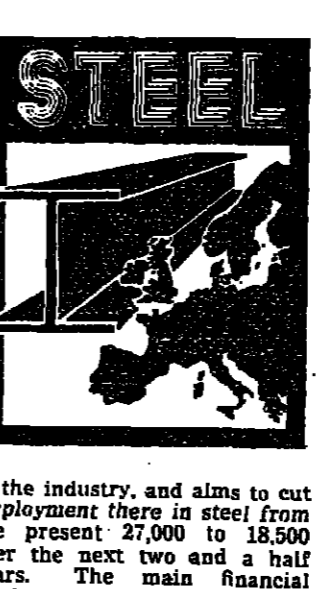
Arbed is nevertheless confident that by 1980 it will have turned the corner, and its handling of the restructuring programme is gaining it a reputation for crisis management. It accepts that, and the plaudits of Community Commission officials in Brussels working on the Davignon Plan for the reorganisation of the Community steel industry, with somewhat gloomy relief.

It has managed to keep Luxembourg's official unemployment figure at under 600 by the creation of an "Anti-Crisis Division" that employs several thousand men on what are in effect odd jobs.

Under the plan, Arbed is to spend LuxFr 33.2bn on its four plants in the Grand Duchy, and the modernisation will be concentrated on the construction of continuous casting installations and new rolling mills. Output from the four last year was 4.25m tonnes, and capacity is being maintained at an annual 6m tonnes.

In addition, Arbed is in charge of running down the out-moded Rodange-Athus plant that straddles the Luxembourg-Belgian border physically and in terms of ownership, and which is jointly held by Arbed and by Belgium's number one steelmaker, Cockerill, together with the Bruxelles Lambert Group. Its future operations will be limited to re-rolling.

Just as Arbed is huge, with a worldwide workforce of more than 100,000, Luxembourg is tiny with a population of 355,000. The Grand Duchy's premier company cannot look to the Government for much financial cushioning. Not without strain, the State is contributing LuxFr 3bn in special grants, but the rest is up to Arbed. On the other hand, the speed with which Arbed has been able to implement its streamlining has to some extent been attributed to the lack of consultation with Government in other countries has tended to delay action.



Belgian unions, concerned with the phasing-out of Rodange-Athus, to create a cross-border common front linking militant French unions in the hard-hit Lorraine steelmaking region with those of Luxembourg and Belgium.

Of Arbed's total steel production of 9.9m tonnes in 1978, 2.5m came from its Belgian operation, the ultra-modern Sidmar plant. Sidmar's highly efficient sheet steel operation does not require re-structuring, and Arbed's involvement in the parallel efforts that the Belgian industry is to make is limited to a rationalisation and production co-operation agreement with the companies known as the Charleroi Triangle.

The arrangement with Hainaut-Sambre, Thy Marcinele et Monceau, Carlam and Laminor du Ruau is a technical one. Arbed's Dudelange plant in Luxembourg is to abandon the production of hot-rolled coils in favour of stepping up cold-rolling capacity, leaving more hot-rolling work to the "triangle". In return, the Charleroi Basin will abandon the rolling of certain types of steel section already produced in Luxembourg.

According to some officials at the Brussels Commission, Arbed's plan will consolidate its traditionally strong position as a producer of long products in the Community. But the cost of the programme is beginning to weigh heavily on the group, with long-term debt having risen dramatically between 1977 and last year from LuxFr 13.5bn to LuxFr 21.7bn. The burden on production costs was plain enough when Arbed released its 1978 figures earlier this year. For although turnover had risen 11.1 per cent to LuxFr 37.5bn, the group was still firmly in the red.

Yet the trend is encouraging. In the first half of last year the deficit was LuxFr 1.5bn, and in the latter half it fell to LuxFr 400m. This year's first half is expected to confirm that recovery.

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Mr. Farouk Khaddoumi, invited to Ankara to open a PLO mission.

Ankara welcomes PLO but keeps its distance

By Mevri Munir in Ankara

THE ARRIVAL in Ankara today of Mr. Farouk Khaddoumi, the Palestinian Liberation Organisation's "Foreign Minister", to open a PLO office, implies no change in Turkey's Middle East policy. This will remain a polite, but distant support of Arab causes.

The office is the price paid by Mr. Bulent Ecevit, Turkey's Social Democrat Prime Minister, for the successful mediation by the PLO in ending last month's bloody occupation of the Egyptian embassy here by Palestinian guerrillas.

In fact, the PLO office was agreed on in principle in Istanbul three years ago during an Islamic summit meeting. But permission to open it has not been taken up.

Ankara was exasperated with the Palestinians for training Turkish left-wing militants in their camps and slipping them across the borders from Syria and Iraq. Grappling with severe political violence, the Turkish Government had no liking for a free foreign training ground for guerrillas.

Turkey was also displeased with the PLO's strong support for the Greek-Cyprus issue. It appears that the PLO has now promised to modify its policies in both fields.

The Turkish Foreign Ministry likes to describe its Middle East policy as "neither pro-Arab nor anti-Israeli," as a senior official put it.

It is the only Muslim country, apart from Egypt, which recognises Israel. However, Ankara has consistently upheld United Nations resolutions calling for the withdrawal by Israel from occupied Arab lands, and it also recognises the right of the Palestinian people to their own state.

The Turks seem to believe that the opening of a PLO mission here will enable Ankara to exert pressure on the Palestinians by threatening expulsion if they "misbehave".

The Israelis feel that the PLO change in the Turkish capital was inevitable and well in all probability, not protest. Even they concede that the opening of the office does not mean a digression from Turkey's Middle East policy.

Mr. Ecevit is known to be personally sympathetic to the Palestinians, and the PLO office will probably win him some marks from the radical Arab states like Libya and Iran.

But in the end these will not amount to much. Turkey's Middle East policy rests on two pillars—non-involvement in the Arab-Israeli dispute and shunning inter-Arab squabbles. As long as these remain standing, no dramatic change is likely in its attitude towards its neighbours.

Turkey and the U.S. have resumed talks in Ankara on the future of U.S. military bases which could be used to check whether the Soviet Union is adhering to the terms of the SALT II accord, Reuter reports.

U.S. embassy officials in Ankara said the negotiations resumed last Friday after a six-week break during which Turkey studied U.S. proposals for continued use of the bases. The Turks could close down the bases, including air bases and sophisticated intelligence-gathering stations, on October 9, the date on which the present provisional one-year accord expires.

The U.S. has had bases in Turkey for many years but the Turks closed them down in 1975 in retaliation for American arms embargo imposed after Turkey invaded Cyprus. When the embargo was lifted last October, Mr. Ecevit's Government reopened the bases for a provisional one-year period. The U.S. hopes the present talks will result in permanent status for the installations.

# Tehran mob ransacks Marxist guerrilla HQ

BY OUR FOREIGN STAFF

A CROWD of about 1,000 sacked the headquarters of the Marxist guerrilla movement Fedayeen-Khalq in Tehran yesterday, as the Government announced new regulations for foreign journalists working in Iran.

The sacking of the office, in which four members of the Marxists were injured, came a day after its members had taken part in big demonstrations in Tehran calling for an end to repression and freedom of the Press.

The Fedayeen, in anticipation of the attack, had started moving out of their headquarters the night before but had apparently not completed the move. The attackers said they found at least 30 automatic rifles, hand grenades, mortar shells and a number of revolvers.

The Government has produced a 14-point list of regulations which implies that they may be prosecuted in Iran if their newspapers or news agencies publish false or distorted news about the country.

Article 10 of the regulations, which have the force of law, reads: "The responsibility for false, distorted or tendentious news about Iran published in the foreign press falls directly on the representative of the

Press organisation concerned. Proceedings may be taken against them according to the regulations in force, and those responsible may be prosecuted."

The regulations, issued by the Ministry of National Guidance (formerly Information), also said journalists intending to come to Iran must swear an oath before Iranian embassy officials in their home countries that the stories they write will be based on the truth.

They must also guarantee not to spread unsubstantiated rumours or undertake activities tending to create discord or disunity in Iran.

Since the February revolution, six foreign newsmen have been expelled on the Ministry's orders and a number of others have been warned about their coverage of events in Iran.

AP reports from Brussels: Two Iranian officials met Viscount Eusebio Davignon, the European Commissioner for Industry for 75 minutes yesterday, ending a 10-month diplomatic lull between Iran and the European Community.

A Common Market spokesman said after the meeting that the talks with Mr. Ali Ardala, Iran's Economic Affairs and Finance Minister, and Mr. Mohammad Molawi, Governor of Iran's Central Bank, touched on a

number of issues, including energy.

The spokesman stressed the meeting had been called by the Iranians and "we (the Common Market) have not used this occasion to start negotiations on oil."

Under the Shab, Iran repeatedly sought a preferential trade status, to which the Common Market would not agree. The EEC spokesman said the Community's position has not changed in that respect.

He added the Common Market sees yesterday's meeting "as a political signal" from Tehran that the new regime there wants to renew trade discussions with the nine-nation European Community.

A second meeting has been scheduled for October, the spokesman said.

The last treaty between Iran and the Common Market expired in 1973. Since then there has been a number of meetings that were never concluded because of the European refusal to grant Iran a special trade status. Yesterday's talks were the first since October of last year.

Last year, the EEC exported \$8.3bn worth of goods to Iran and imported products worth \$9.4bn, according to Community figures.

# Tarling 'only 20 days in Singapore'

SINGAPORE — Mr. Richard Tarling was in Singapore for only 20 days during the period when he was alleged to have violated Singapore company law, the High Court was told yesterday.

Mr. Tarling, 44, former chairman of Haw Par International, the south-east Asian conglomerate of the British Slater Walker group, faces five charges under the Singapore Companies Act for allegedly failing to show a true and fair view of the company's accounts in 1972 and 1973. He has pleaded not guilty.

A key prosecution witness, Mr. John Scotthorne, former financial controller of Haw Par International, said under defence cross-examination that Mr. Tarling was in Singapore for only nine days in 1972 and 11 days in 1973. During his absence, other directors of the company performed all functions.

Mr. Scotthorne, who has been given immunity against prosecution, said Mr. Tarling became Haw Par's chairman in 1971. Mr. Donald Watson, as managing director, had powers to conduct the management affairs of the company.

Mr. Watson left Singapore in 1976 soon after the Singapore Government appointed two inspectors to investigate the affairs of Haw Par International.

The charges against Mr. Tarling allege that he, together with Mr. Watson and another director, Mr. Keith Tamblin, violated the Singapore Companies Act. Mr. Tamblin has also left Singapore.

Mr. Tarling was brought to Singapore in March this year after he failed in a two-year legal battle against extradition from Britain. He found guilty. He faces a two-year jail term and a fine of 5,000 Singapore dollars (£1,000).

Earlier in the proceedings, London accountant Dennis Garret gave expert evidence for the prosecution.

During his cross-examination by Mr. Howard Caslin, for the defence, Mr. Garret said that a unit trust was formed to conceal profits made by two of Haw Par's Hong Kong subsidiaries, Grey Securities and Cobra Investments.

In answer to a defence question, Mr. Garret said the Company Act differed from country to country, but no company was allowed to exclude profits from its consolidated account anywhere in the world.

# India flood death toll reaches 3,000

BY OUR FOREIGN STAFF

TEAMS OF doctors and troops worked in thick mud yesterday to recover the bodies of an estimated 3,000 people who died when a dam burst above an industrial town in western India.

A wall of water 13-ft high is reported to have swept into the town of Morvi in Gujarat state on Saturday when an earthen dam on the Nachechu river collapsed.

Factories, houses and bridges were swept away by the deluge, which came after two weeks of torrential monsoon rain. Damage to industry around the town of 60,000 people has been estimated at \$5m.

Some survivors were left without food and water for more than 24 hours. But by yesterday, more than 25,000 food

packets had reached the area with army help. Drinking water and milk was being provided for about 10,000 evacuees.

It is still not clear how the disaster occurred. Even before the dam burst, large areas of Gujarat were covered in flood water. Some people living in low-lying areas below the dam had, therefore, already been evacuated.

The flood left the entire town under a blanket of mud that was 6 ft deep in part. More than half of the houses in Morvi have either collapsed or been damaged.

Mr. Keshubhai Patel, Gujarat's Agriculture Minister, said after visiting the area that the toll in terms of life and economic damage was unlikely to be known

quickly. He said that rescue operations had been organised on a war footing with full help from the military. Local radio reports claimed this was the area's worst flood in 50 years.

Mr. Charan Singh, India's Prime Minister, said yesterday that he was deeply shocked by the disaster. He has released \$42,000 from the National Relief Fund for rescue operations.

Throughout the day, rescue workers carried out mass evacuees trapped on rooftops or on high ground. Health service workers carried out mass inoculations to prevent disease.

Police, members of the Home Guard and civilian volunteers joined in the task of recovering bodies from the mud and debris.

Our Calcutta correspondent reports: Tension was reported along the Indo-Bangladesh border yesterday as at least 10,000 Bihari Moslems gathered for a "long march" across northern India to Pakistan.

The Moslems, who plan to set out today from the border town of Dinajpur, have maintained Pakistani citizenship since Bangladesh separated from Pakistan.

Indian border forces are under orders to push back any Biharis who cross into India. The Pakistan Government has shown no great eagerness to accept them, while the Bangladesh authorities have asked for restraint. The threatened long march is evidently being used to pressure Dacca into shipping the Moslems to Karachi.

# PAKISTAN PREPARES TO DEFEND ITS 'BOMB'

# Delhi attack on atomic facility feared

PAKISTAN IS taking measures to defend against the possibility of an Indian attack, facilities near the capital, Islamabad, which are believed to be part of its programme to build a nuclear bomb.

Anti-aircraft missiles have been moved into the area in the past three weeks, and anti-aircraft guns are thought to have been installed. In addition, fighter aircraft are operating from Islamabad airport.

Diplomats in Islamabad interpret the new defences as a warning to the new Indian Government that Pakistan will not be deterred from its nuclear research programme. They are also believed to reflect Pakistani anxiety that India might destroy the facilities in a pre-emptive strike.

Although Pakistan denies that it is trying to make a nuclear bomb, Western analysts believe that it had this intention even before India exploded a nuclear device in 1974.

The principal target for any attack would be a huge facility under construction at Kahuta, near Islamabad, where, according to Western analysts, a uranium enrichment plant assembled from parts clandestinely acquired in Europe is being built.

The new defences could also protect a site at Sihala on the Lahore road where, what is thought to be the pilot plant for the Kahuta installation is already working.



Simon Henderson, recently in Islamabad, reports on Pakistan's measures to defend installations near the capital, which are believed to be part of a programme for the building of a nuclear bomb, and on fears that India might launch a pre-emptive attack. The defence measures are seen as a warning to India that Pakistan will not be deterred from its nuclear programme.

about five miles so must be sited near to target.

The aircraft at Islamabad international airport are Chinese-made versions of the comparatively old Russian MiG-19 but are armed with U.S. air-to-air missiles. Their deployment at the airfield and the frequent flights they make over Islamabad are new developments.

Experts say that these defences would provide protection to the extent that an Indian attack would be ineffective unless it was on a scale tantamount to all-out war.

India already has overwhelmingly superiority over Pakistan in terms of armed forces but would still rely on conventional military aircraft in any attack on Kahuta. Its nuclear device is not thought to have been developed into a bomb and the latest India attempt to make a long-range missile for launching satellites has failed.

Kahuta is less than 50 miles from the Indian part of Kashmir. It was while travelling in a car near the facilities that the French Ambassador to Pakistan and his first secretary were beaten by unknown assailants at the end of June.

Construction on the site is going ahead under the supervision of a Special Works Organisation, based in Rawalpindi, near Islamabad. Last year the organisation ordered high-frequency electrical inverters from Britain, sales of which were subsequently banned by the British Government because of their possible nuclear application.

# Polisario 'kills 400 Moroccans'

ALGIERS—Four hundred Moroccan soldiers were killed and 300 wounded in a clash with Polisario Front guerrillas last Saturday in the heart of the Western Sahara, a Polisario official said yesterday.

He said that 175 Moroccan troops were captured, including a captain and three lieutenants in the six-hour-long operation at the Bir Ez-Zanran Oasis. Large quantities of military equipment were destroyed or seized, he added.

The clash, in the Moroccan part of the disputed territory, is one of the bloodiest recently reported.

The Moroccan Government said earlier that Moroccan forces inflicted heavy losses on Polisario guerrillas but admitted

that an unknown number of Moroccan soldiers were also killed in the fighting.

The battle comes a week after Mauritania signed a peace accord with the guerrilla forces, who are seeking independence for the former Spanish colony of Western Sahara.

The Polisario has also reported an attack on the small town of Lebriate, in Southern Morocco. It said 92 Moroccan soldiers were killed, and 71 wounded in the raid, the third on the garrison town in six weeks.

Our Rabat correspondent adds: The Moroccan Government has distributed arms to the civilian population in areas bordering on Algeria, and is

concentrating troops in the Tiris el-Gharbia area of the Western Sahara from which Mauritania is in the process of withdrawing.

M. Mohamed Boucetta, the Foreign Minister, said the 6,000 Moroccan troops sent two years ago at Mauritania's request to help protect it from attacks by the Polisario Front were being withdrawn from Mauritania proper only and concentrated in the Tiris el-Gharbia.

This confirmed that Rabat intends to take over the 90,000 square miles of desert and its only town, Dakhla or Villa Cisneros on the coast, and integrate them with the rest of the Western Sahara which it considers an integral part of Morocco.

# PLO drive for wider support

BY IHSAN HIJAZI IN BEIRUT

MR. YASSIR ARAFAT, leader of the Palestine Liberation Organisation, is planning new steps to secure wider international support for his organisation, including recognition by the United States.

Mr. Arafat is expected to stop in New York on his way back from next month's Non-Aligned Conference in Havana. He will address the United Nations General Assembly, and might hold talks with Mr. Andrew Young, U.S. Ambassador at the United Nations.

The PLO's Central Council, the policy-making body of the organisation, declared at a meeting in Damascus on Sunday that the diplomatic drive should be continued particularly in Havana and at the General Assembly, as long as Palestinian rights to repatriation, self-determination and establishment of an independent Palestinian state are upheld.

The central council gave a warning against what it called U.S. attempts to split the Arab camp opposed to the Egyptian-Israeli Peace Treaty, but did not exclude a dialogue with Washington.

Observers said the insistence on an independent Palestinian State may prove the main hindrance to a U.S.-PLO dialogue. President Carter has

already gone on record opposing the creation of such a state. He indicated at the same time that his Administration would support the right of Palestinian to take part in determining their own future.

A prominent leader of El-Fatah, the main guerrilla group, has strongly attacked the Iraqi regime of President Saddam Hussein, and condemned the

executions of alleged plotters carried out in Baghdad last week.

Mr. Abu Saleh, a member of Fatah's central committee, addressing a rally on Sunday accused President Saddam Hussein of trying to use Iraq's oil wealth to gain leadership of the Arab world. Referring to the execution of 21 prominent Iraqis, Mr. Abu Saleh said: "By killing their own comrades they are killing their country's independence."

The rally was held on the occasion of the first anniversary of the assassination in France of the head of the PLO office there, Mr. Izzeddin al-Kalaf, and an aide. They were murdered by Iraqi agents.

Observers said the attack by Mr. Abu Saleh indicated that, contrary to earlier speculations, the conflict between Fatah and the Iraqi regime is not over yet.

Mr. Mohammed Mueleh Hassan, the Iraqi Ambassador in Beirut, was slightly injured yesterday when his car was hit by a rocket-propelled grenade as he was driving near the Embassy in predominantly Moslem west Beirut.

Bombs had earlier been placed at the offices of Iraq Airways and the Iraqi Cultural Centre in Beirut.



Mr. Yassir Arafat

# Inflation protest halts Israel

By David Lennon in Tel Aviv

A TWO-HOUR strike in protest against inflation brought Israel almost to a halt for its duration yesterday.

The strike was called by the Histadrut Labour Federation because of a 50 per cent rise in the price of basic foodstuffs caused by Government cuts in subsidies, which came into effect at the weekend.

The government had hoped that the response to the strike call would be minimal, but, in fact, most trade union members took part. Only essential services and some industries requiring continuous production were exempted.

Ground staff at the country's international airport decided to prolong the strike for five hours. Their action led to major disruption.

Mr. Yerucham Meshel, Secretary-General of the Histadrut, said that if the Government did not take some action to control 100 per cent inflation, he would call additional strikes.

Treasury officials said that plans were going ahead for further cuts in Government expenditure. But they promised that subsidised basic commodities would not again be affected this year.

Arab citizens of Israel protested to the Government yesterday against a decision not to compensate them equally with Jewish citizens for the latest price rises.

Large Jewish families will receive an immediate increase in family allowances, but Arabs will not. A special regulation enables the Government to pay more to the families of those who served in the army than to others.

Virtually all Jews are conscripted, but Arabs are exempted because of doubts about their loyalty to the state in its fight against the Arab states.

# Murdoch allowed to buy Sydney TV company

BY JAMES FORTH IN SYDNEY

THE AUSTRALIAN Broadcasting Tribunal has approved the purchase by Mr. Rupert Murdoch's international media group, News Ltd., of a 49 per cent controlling shareholding in a Sydney television company.

News Ltd. gained control of the company, United Telecasters Sydney Ltd. (UTL), which operates Sydney's Channel 10, in an on and off market purchases in May. Under existing legislation the approval of the tribunal is necessary if an individual shareholder obtains more than 15 per cent of the capital. Foreign ownership in television companies is also restricted to 5 per cent of the capital.

Claims were made at tribunal hearings in July that the News holdings were effectively foreign because the chief executive and major shareholder, Mr. Murdoch lived in New York, and spent the greater part of his time in the U.S. The tribunal, however, ruled that the News purchases in the company did not contravene legislation.

On one of the key issues, Mr. Murdoch's residential status, the tribunal ruled that to decide the general question of media ownership and control of broadcasting and television stations in the News Ltd.-UTL case would be, or would appear to

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- 5 Instalment credit**  
Our subsidiary, St. Margaret's Trust, can provide facilities for the purchase of industrial goods or equipment.

# Asia bank urged to boost rural assistance

By Daniel Nelson in Manila

A POLICY SHIFT away from strict banking criteria, is envisaged for the Asian Development Bank in a staff working paper on agriculture and rural development, released yesterday.

The document urges the bank and its developing member countries to give priority to rural development, which it says has been lapsed.

"It has become apparent that the earlier approaches to agricultural and rural development often failed to bring benefits to the people most in need of them," the paper says.

The recommendations will be welcomed by critics who argue that the bank acts too rigidly on commercial lines.

The report specifically recommends that lower rates of return should be accepted from projects in poorer developing countries and that desirability, and not feasibility alone, should be a project criterion.

It also calls for agrarian reform throughout the region and more investment in basic public services for the poor, admitting that the bank may have to finance the latter to enable Governments to concentrate on growth goals.

The bank's \$1bn investments in agriculture and rural development represents about a quarter of its total loan approvals to date.

# Asia bank urged to boost rural assistance

be, to discriminate unfairly against one media owner while others went unscathed.

The majority of metropolitan television stations are either controlled by media groups or have media groups among their shareholders. The tribunal believed it did not have the statutory power to decide the issue but suggested that the Minister for Post and Telecommunications could direct it to hold a further inquiry and to make recommendations on the question.

During the inquiry, Mr. Murdoch stated that he might force the closure of Channel 10 unless the tribunal gave its approval. He said News Ltd. would not sell its shares unless it got a fair price, regardless of the tribunal's findings.

The tribunal conceded that refusal to approve the share sales would not result in automatic restoration of the previous position.

The tribunal stated that little or no evidence had been given to show that the television station's independence and objectivity would be adversely affected by the News purchase.

The tribunal noted with approval that "firm and unequivocal" assurances had been given by senior News personnel and by Mr. Murdoch as to the independence and impartiality of the services.

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AMERICAN NEWS

Mexico puts the brake on population growth

By William Chislett in Mexico City

The Mexican Government's two-year-old family planning programme is beginning to have some success in stemming the country's explosive rate of population growth.

The country's growth in this area is the fastest in the world, and the present 67m is expected to rise to 100m by the year 2000.

Population is the fundamental factor behind Mexico's immense social and economic problems. Only if the growth rate is reduced from 2.9 per cent a year to the target of 1 per cent by 2000 will the problems be solved.

The most pressing problems are unemployment, which with underemployment, is estimated at 50 per cent; poverty (4m peasants earn less than \$38 a year); sharp regional imbalances; the stagnation of agricultural production, which is failing to keep up with the population increase.

Large illegal emigration to the U.S. every year also cannot be eased unless the number of Mexicans born every year is greatly reduced.

The demand such a population produces to build more schools and houses meant that last year 4m children failed to receive primary education.

The long-term political stability of this oil-rich country depends upon reducing the population growth. Mexico City already has 13m people and, by 2000, will be the world's largest city with a population of around 30m.

In 1973, for example, when Mexico's population was growing at an annual rate of 3.5 per cent, births outstripped deaths by 1.5m-370,000 more than the combined 1972 natural increase of Canada and the U.S. (Great Britain's growth rate is virtually zero).

The agency predicts that Iranian production is unlikely to rise above its current official 1m barrels a day (b/d) in the coming years. In fact, it calls that an optimistic forecast and says that it could drop below 5m b/d by 1985.

Production before the February revolution was between 5.5m and 6m b/d. The CIA bases its prediction on intelligence reports which show that Iran is neglecting

Philadelphia mayor faces police brutality charge

BY DAVID BUCHAN IN WASHINGTON

THE U.S. Justice Department yesterday charged Mr. Frank Rizzo, the Mayor of Philadelphia, and 20 top city and police officials with allowing and condoning widespread and systematic police brutality.

The Department's civil suit, by far the biggest of its kind, follows an eight-month investigation personally ordered by Mr. Griffin Bell, the retiring Attorney-General, and seeks a court ban on such practices and a halt to all federal aid to the city until its Police Department, the fourth largest in the country with 8,000 men, is reformed.

Philadelphia has received more than \$70m in federal funds, including \$10.2m for law enforcement, over the past decade. The controversial Mr. Rizzo, in characteristically unrepentant vein, said yesterday of the suit: "We welcome it."

Mr. Rizzo's two terms as mayor will come to an end this autumn, after his failure last November to get city voters to approve an amendment allowing him to run for a third term.

But the Justice Department's legal action yesterday makes it less likely that the city will elect a successor in the same mould.

The suit notes that Philadelphia police each year shoot about 75 people, and that some 1,100 complaints are made against them.

But despite investigations by the Justice Department of some 210 complaints of police brutality between 1974 and the start of this year, Mr. Drew Days, Assistant Attorney-General, said that only six police officers had been convicted while some 38 cases were still open.

Mr. Days said yesterday that criminal laws applying to individual cases were "insufficient to deal with a situation that seems to involve a police department as a whole," and so his Department has decided to undertake a civil action under civil rights laws.

Mr. Rizzo, who was originally elected on a tough law and order platform which seemed to suit the electoral mood of the early 1970s, earlier this year dismissed the allegations of police misconduct as "media-generated." He has had a long feud with the city's most prestigious newspaper, the Philadelphia Inquirer.

The Government's suit which, among others, names Mr. Joseph O'Neill, the city's current Police Commissioner, and its medical examiner and finance director as defendants, focuses on seven areas: the police system for handling brutality complaints; police actions on the streets; use of weapons; arrest practices; internal disciplinary procedures; training; and alleged victimisation of Philadelphia's black and Hispanic community.

It notes that some officers most heavily implicated in these allegations have been promoted, even after being convicted on minor charges. There are problems in other U.S. cities, though perhaps not on the same scale, and Mr. Days commented yesterday that the Justice Department hoped that success in the Philadelphia suit would bring improvements elsewhere.

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Griffin Bell... personally ordered investigation.

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WORLD TRADE NEWS

BCal gets \$38m loan for DC-10 airliner

By Our Aerospace Correspondent

NATIONAL Westminster Bank has arranged a \$38m (over £17m) Eurodollar ten-year credit to enable British Caledonian, the independent airline, to buy a fourth U.S. McDonnell Douglas DC-10 Series 30 jet airliner.

The loan was arranged by the aerospace section of NatWest's corporate financial services department, on a floating rate basis tied to the London Interbank rates.

B. Cal will use the new DC-10 for services on its main long-haul routes to West and Central Africa, and North America, including flights to Houston, Texas.

Jaguar deal 'to go ahead'

By K. K. Sharma in New Delhi

REPORTS that the Indian Government plans to review the £1bn deal with British Aerospace on the Jaguar fighter are baseless officials close to Prime Minister Charan Singh said yesterday.

The Defence Minister, Mr. C. Subramanian, has already denied reports that an inquiry into the deal has been ordered.

This should end speculation about the future of the deal under which British Aerospace is to supply 40 Jaguars, built in Britain, and establish facilities in India for their manufacture.

Air Panama work for BA

By Our Aerospace Correspondent

BRITISH AIRWAYS has won a contract to help improve the operations of Air Panama, the Latin American airline.

In a joint deal between BA, the Panamanian National Finance Corporation, and Canadian Overseas Airlines, the Vancouver-based airline support and consultancy agency, the UK airline will conduct a management and systems audit, and a review of Air Panama's fleet.

British Airways sells its management support through a special unit set up to market this expertise.

Other recent contracts won by BA in this field include those with Yemen Airways and Royal Brunei Airlines.

The initial deal with Air Panama opens the way for possible future long-term support for that airline, during which BA may provide qualified staff to the airline, and also help with staff training.

Air Lanka, the new national airline of Sri Lanka, starts twice-weekly flights between Colombo and Gatwick Airport, London, on September 2.

Air Lanka is being developed with support from Singapore Airlines.

It is possible they will," he said. He said that even if Nicaragua did buy arms from socialist countries, this would not imply that it was entering the Communist sphere.

Mr. Derek Brown, 54, who has been head of projects and research in the Hatfield-Chester division of British Aerospace's Aircraft group, will move to Toulouse to take on this task, as vice-president, new products co-ordination at Airbus Industrie.

Lufthansa fares increase held below IATA level

BY ROGER BOYES IN BONN

LUFTHANSA, the West German airline, has announced across-the-board fare increases of between 4 and 10 per cent for its internal and international routes—substantially below the level recommended by the International Air Transport Association in Geneva last month.

Herr Guenther Esler, a Lufthansa director, said yesterday that the fares on European routes would rise between 4.5 and 5 per cent compared to the IATA recommendation of 10 per cent, while internal fares would go up from 4.9 per cent.

On North Atlantic routes, Lufthansa is increasing fares between 6 and 8 per cent on normally priced routes while low-priced flights to America will cost 10 per cent more, compared with the IATA suggestion of a 12-15 per cent rise.

The IATA recommendations arose from the rapid increase in the cost of kerosene during the year. Lufthansa, while clearly welcoming the general IATA line, has opted for a relatively privileged position among European airlines. It uses less kerosene than some of the major airlines and because of the strength of the Deutsche mark, can purchase the dollar-priced fuel at comparatively low prices.

Last year, for example, fuel accounted for only 11 per cent of the airline's costs, while Alitalia, the Italian airline, with a somewhat older and thirstier fleet, needed 15 per cent and IATA members in general needed 18 per cent.

Lufthansa's fuel expenditure has actually fallen from DM 551m to DM 540.6m (£131m) over the past three years, although it has increased its operations by 13 per cent. Other countries with strong currencies, like Switzerland, have benefited in a similar fashion.

An additional factor underpinning Lufthansa's moderation is that it needs Government approval for the rise. This would by no means have been assured had Lufthansa implemented the IATA guidelines. In the first IATA price round earlier this year, a 7 per cent increase was recommended but Lufthansa was obliged to raise its fares by only 5 per cent.

There is also the fear that sharp fare increases would deter potential passengers just as that high summer season traffic is beginning to slacken.

The fares increases are currently being considered by the Traffic Ministry which is expected to make a decision soon. If approved, the increases will "come" into effect on September 1.

Japan-Australia coal accord

BY RICHARD C. HANSON IN TOKYO

THE ELECTRIC Power Development Corporation has initiated a letter of intent with the two major owners of Blair Athol Coal, an Australian coal development concern, to eventually acquire a 19 per cent interest in order to assure a long-term source of steam coal for Japan.

The basic agreement will be formalised within three months, but the actual acquisition of the shares, 11 per cent from Conzinc Rio Tinto of Australia, and 7 per cent from Atlantic Richfield, will depend on negotiation of a long-term purchasing agreement. That and a feasibility study are expected to take about two years.

Blair Athol, whose deposits are located in central Queensland, is estimated to have proven reserves of 270m tonnes. In addition to the feasibility study and purchase contract, plans must be laid for completion of rail, port and other infrastructure to make the project feasible in Australia.

This could prove difficult because development of such an infrastructure also depends on progress on four other coal projects in the region for which there are no concrete programmes set out for completion.

There were no estimates for the value of the planned sale of the share to Electric Power company. It sells the electricity it generates on a wholesale basis to nine privately-owned regional power companies (which own the private shares in EPDC).

The corporation generating Japan's only power, studied exclusively by domestic fuelled produced steam coal and is the leader in constructing power stations to use imported coal.

EURO Exhaust Centre Holdings, the privately-owned concern which claims to be Europe's largest specialist exhaust fitting chain, has linked Rhone Poulenc, France's biggest chemical group, to launch its French operations.

Rhone Poulenc has set up a subsidiary, Sopran (Société pour la promotion d'activités nouvelles) as a job-creation organisation to assist redundant employees from its manufacturing plants in finding positions in new industries.

UK exhaust specialist to link with Rhone Poulenc

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

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Mr. Derek Brown, 54, who has been head of projects and research in the Hatfield-Chester division of British Aerospace's Aircraft group, will move to Toulouse to take on this task, as vice-president, new products co-ordination at Airbus Industrie.

His objective will be to produce, some time in the early 1980s, one or more new designs that will be capable not only of widening the spectrum of Airbus Industrie's activities, but also of meeting the formidable competition expected from the U.S. aircraft manufacturers at that time.

At present, Airbus Industrie is building the 250-seat A-300 and its smaller derivative, the 200-seat A-310, in a variety of models to meet different airline requirements, and so far has orders and options for 359 aircraft. But this is as far as the European response to the U.S. airliner juggernaut, Boeing, goes at this time.

The latter has a much wider range of designs on offer in world markets—the 737 short-haul jet, the 727 short-medium jet, the larger 200-seater 757 and semi-wide-bodied 767 jets, and the giant 747 Jumbo. And there is the possibility of a new version of the 707, with the Franco-U.S. CFM-56 engines, emerging in the next year or so.

The European A-300 and A-310 are directly meeting both the 737 and 757 in world markets, and also to some extent the smaller, basic versions of the Lockheed three-engine non-stop, such as between New York and Tokyo.

Throughout Europe in recent years, the various individual companies separately have been working on a wide variety of designs in all these areas.

These have been exploratory, rather than serious attempts to produce firm programmes, and have been intended to discover just what the airlines are likely to need, and what would be involved in developing them in terms of cash and other resources. As a result, none of these designs have yet come to fruition, and many may never do so.

It will be Mr. Brown's task to look at all of them, no matter which member-company of Airbus Industrie has been working on which project, and try to pull out of the bag at least one or two serious designs that could be turned into firm programmes.

It is a formidable task, because each company's individual project office is likely to be jealously guarding its particular baby, and may not want to see it merged into a wider venture.

Mr. Brown will be working in the knowledge that Boeing itself is not standing still. That company has already set up a small but formidable team of experts to study potential replacements for the 737 and 727, and the company is now looking for new engines, such as the projected Rolls-Royce RB-432, as possible power-plants. A combination of the RB-432, and a new, aerodynamically more efficient wing design, could make an ultimate 737 replacement a most formidable aircraft in an era of steeply rising fuel costs.

Airbus Industrie, and its individual partners, including British Aerospace, therefore regard Mr. Brown's appointment as vital if the consortium is to avoid finding itself pre-empted by the world's biggest jetliner manufacturer. Boeing has already developed a "healthy respect" for Airbus Industrie, since that company has captured orders and options for 359 of its A-300s and A-310s, and is negotiating for many more.

If Mr. Brown's team has its way, Airbus Industrie may also eventually achieve a comparable feat in the other markets for other types of jet airliners that will emerge in the years ahead.

CIA warns on Iran oil output

BY DAVID LASCELLES IN NEW YORK

IRAN'S production of oil could be seriously reduced by the middle of the next decade unless steps are taken soon to ensure a healthy future flow, according to a study carried out by the CIA.

The agency predicts that Iranian production is unlikely to rise above its current official 1m barrels a day (b/d) in the coming years. In fact, it calls that an optimistic forecast and says that it could drop below 5m b/d by 1985.

Production before the February revolution was between 5.5m and 6m b/d. The CIA bases its prediction on intelligence reports which show that Iran is neglecting

equipment at producing wells, and failing to take steps to ensure future production. In particular, the agency notes, Iran is not opening up new gas fields which would be used to boost pressure in oil wells.

Exploration has also been cut, and the number of foreign technicians in the Iranian oil and gas industry has fallen sharply. Because of long lead times, plans must be made now to compensate for declining production from existing wells in the 1980s, the CIA says.

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U.S. set to win Korea deal

BY DAVID LASCELLES IN NEW YORK

SEOU—Aggressive bidding by the U.S. Export-Import bank helped the U.S. wrest an important South Korean contract from France and West Germany, according to reports here.

Korea Electric said it had chosen Westinghouse Electric as the probable supplier of nuclear steam supply systems and turbine generators for two nuclear power plants.

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Nicaragua releases prisoners



Sr. Tomas Borge (left) watches the prisoners arrive in Managua.

MANAGUA — Sr. Tomas Borge, Nicaragua's Interior Minister, supervised the release of 268 prisoners, former members of President Anastasio Somoza's National Guard at the weekend.

The prisoners, who had been held in Jinotega, were transported to Managua in trucks. The Red Cross was providing transport to their home towns yesterday.

Sr. Borge said he had told the prisoners that they were witnesses to the generosity of the Sandinista revolution and should go back to work to take care of their families.

He said that the Sandinistas have about 5,000 prisoners in jail, most of whom would be freed very shortly.

Sr. Borge also said that Nicaragua would seek military weapons from socialist nations only if the United States and Western European countries refuse to sell the arms.

"We don't want to buy arms from socialist countries," he said. "We don't want to give pretexts in the sense that we might be aligning politically with socialist countries."

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AIRBUS INDUSTRIE LOOKS AHEAD

Stopping the Boeing juggernaut

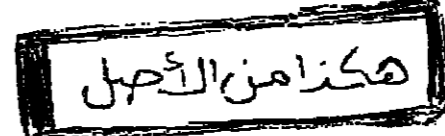
BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE DECISION by Airbus Industrie, the European consortium building the A-300 and A-310 Airbuses, to appoint a co-ordinator for future projects has been widely welcomed throughout the European aerospace industry.

Mr. Derek Brown, 54, who has been head of projects and research in the Hatfield-Chester division of British Aerospace's Aircraft group, will move to Toulouse to take on this task, as vice-president, new products co-ordination at Airbus Industrie.

His objective will be to produce, some time in the early 1980s, one or more new designs that will be capable not only of widening the spectrum of Airbus Industrie's activities, but also of meeting the formidable competition expected from the U.S. aircraft manufacturers at that time.

At present, Airbus



increased A level

# Ban on housing funds for Auriol to continue

BY ANDREW TAYLOR

THE HOUSING Corporation is continuing its ban on raising new funds for Auriol Housing Foundation, one of London's largest voluntary housing associations, which the corporation claims has been mismanaged.

But it said that there was insufficient evidence of mismanagement by Mr. Ebdon and two other Auriol officials for it to invoke its powers calling for their removal.

Mr. Ebdon, Auriol's director, claimed yesterday that the association was being victimised by the Housing Corporation which controls the purse strings for the housing association movement.

# NEB to fund high technology project

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE NATIONAL Enterprise Board's regional office in the north-west has agreed to invest £100,000 in A.S.R. Servotron, a company producing industrial automation systems.

The NEB believes the investment will make a commercial return, and Mr. Kohn emphasised yesterday that in his view the NEB's role was like that of any merchant bank.

# Wilkinson Match plant to close

By James McDonald

WILKINSON MATCH is to close its match factory at Fairfield Row, East London, and will switch production to its Liverpool and Glasgow factories.

# Britain's wines about to make their mark

BY CHRISTOPHER PARKES

FIVE ENGLISH wines are only one step away from a national award which could bring them recognition as wines of quality on a par.

trademark of the English Vineyard Association (EVA). The mark, approved by the Department of Prices and Consumer Protection last year after six years' work by the EVA, will have no legal validity outside Britain since the UK wine industry has not been in business for long enough to meet EEC quality wine requirements.

rigorous set standards" the association said yesterday. Ten samples from last year's "thin" harvest were submitted for approval.

English wine growers have elected to wait before attempting to win EEC recognition for their wines of quality.

UK conditions. The English Vineyard Association has almost 700 members, concentrated in East Anglia and the South East.

# Arab-owned broker officially recognised by Bank of England

BY NICHOLAS COLCHESTER

SARABEX, the Arab-owned international broker, has been accepted as a "recognised broker" in foreign exchange and currency deposits.

These are understood to be the only changes requested by the Bank Sarabex has fulfilled the other essential precondition for recognition—sponsorship by six banks—and will now become a member of the Foreign Exchange and Currency Deposit Brokers' Association.

# Hunters grouse about the 12th

BY ARTHUR SANDLES

THE GROUSE season did not start with its usual bang. As it moved the Glorious Twelfth (the thirteenth was not bad enough for shooting on Sunday is out), the grouse are not plentiful this year.

# Unionists angry at IRA protest

BY STEWART DALBY IN BELFAST

UNIONIST politicians in Northern Ireland yesterday were angry that the Government allowed the IRA to hold a weekend demonstration and make a show of arms in protest at the presence of British troops in the province.

Catholics marched to the park, where they heard speeches from among others, Mr. David O'Connell, former IRA "chief of staff." He is now vice-president of the Provisional Sinn Fein.

# Courtaulds plans £1.3m expansion at Coventry

BY RHYS DAVID

COURTAULDS is planning to spend £1.3m to expand facilities for the production of the starting material for carbon fibre, the high-strength, low-weight material used in a variety of sophisticated engineering applications.

the rest of Europe and Japan but new opportunities have begun to emerge in the U.S. The licence which Courtaulds granted to Hercules, the U.S. chemical producer in 1969 for the American market, ceased to be exclusive last year and Courtaulds is hoping to build up sales itself in the U.S. of both graff and the precursor.

# Mind challenges union ban on Broadmoor man

A HIGH COURT Writ was served upon Mr. Patrick Jenkin, Social Services Secretary, yesterday, in a test case in which Mind, the National Association for Mental Health, is challenging the legality of a union's attempt to ban special hospital patients from a local psychiatric hospital.

# Court urged to restrict Inland Revenue rights

THE COURT of Appeal was yesterday asked to curb the Inland Revenue's powers to search premises and seize documents during investigations into possible tax frauds.

documents. Virtually every-thing was taken. Mr. Tucker's home, Nettleside Place, near Maidstone, and AJR's offices in Hanover Square were subjected to similar treatment.

# Housing work well down

PUBLIC AND private housing workload has been considerably reduced, says a Royal Institution of Chartered Surveyors survey out today.

workload was in the public sector. Mr. Peter Hart, chairman of the working party which produced the report, said the reduction in this sector had not been offset by increasing activity in the private sector.

# Quandary over Price Commission report

NEWS ANALYSIS — CAR SPARES BY DAVID CHURCHILL

THE DEPARTMENT of Trade is in a quandary over the Price Commission report on the £1.5bn a year car spares market in the UK.

findings and hold talks with the car industry to bring about extensive changes in spare parts distribution? Or should it wait until the revived Monopolies Commission can study the subject under the new powers granted it by the Competition Bill?

will lead to a growing share of the UK spares market being gained by foreign vehicle assemblers and component manufacturers.

and importers as well—is that it enables the manufacturer to provide an attractive total package of new car, replacement parts, and service.

parts could also be abolished. Apart from the question of access to the market, the report also draws two other main conclusions. One is that recommended prices, especially for fast moving items such as oil filters and sparking plugs, are at too high a level.

Should the Department, therefore, accept the commission's findings and hold talks with the car industry to bring about extensive changes in spare parts distribution? Or should it wait until the revived Monopolies Commission can study the subject under the new powers granted it by the Competition Bill?

NOTICE OF REDEMPTION

To the Holders of

**CABOT INTERNATIONAL CAPITAL CORPORATION**

9 1/2% Guaranteed Debentures Due September 15, 1980

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of September 15, 1970, providing for the above Debentures, \$1,000 principal amount of said Debentures have been offered for redemption on September 15, 1979, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date, each in the denomination of \$1,000 and bearing the prefix letter "M", as follows:

Outstanding Debentures with serial numbers ending in the following two digits:

03	21	22	20	25	27	28	41	48	57	70	91	94	95
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Outstanding Debentures with the following serial numbers:

9153	10252	10653	13153
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On September 15, 1979, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation at the office of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws or regulations applicable thereto in the country of any of the following offices, at the main office of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London or Paris, or the main office of Algemeene Bank Nederland N.V. in Amsterdam, or the main office of Banca Commerciale Italiana in Milan, or the main office of Banque Internationale à Luxembourg in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due September 15, 1979, should be detached and collected in the usual manner. On and after September 15, 1979, interest shall cease to accrue on the Debentures herein designated for redemption.

**CABOT INTERNATIONAL CAPITAL CORPORATION**

Dated: August 14, 1979

The following Debentures previously call for redemption have not as yet been presented for payment:

M-201	2186	2947	4668	5587	6468	8304	10745	12054	15446	17220	17349	18465	19805	14657
703	2203	2236	4868	5364	6028	8208	10511	12056	13277	13358	13570	13809	14720	14720
706	2207	2873	4916	5849	6535	8331	10971	12025	12918	13281	13380	13669	13924	14720
708	2242	3166	4282	5883	6346	8346	10081	11278	12713	12984	13262	13389	13760	13928
1706	2214	3171	4282	5883	6346	8346	10081	11278	12713	12984	13262	13389	13760	13928
2111	2835	3489	5089	5869	6361	10066	11200	12345	13206	13277	13422	13772	14316	14866
2112	2836	3490	5090	5870	6362	10067	11201	12346	13207	13278	13423	13773	14317	14867
2113	2837	3491	5091	5871	6363	10068	11202	12347	13208	13279	13424	13774	14318	14868

# Fife cracker could lead to 2,000 jobs

FINANCIAL TIMES REPORTER

UP TO 2,000 permanent jobs could be created at Mossmorran, Fife, by plastics manufacturers setting up plants to use ethylene produced by the planned ethane cracker, Mr. Jay Dalgetty, a director of Esso Chemicals, said yesterday.

A 490-acre site earmarked for downstream chemical development is included in the Government planning consent for the cracker at Shell-Esso's proposed gas liquids separation plant.

Mr. Dalgetty said he could foresee three plastics manufacturers establishing factories there to use the 500,000 tonnes of ethylene produced annually by the cracker.

The cracker would employ 350 people and the separation plant another 120. Esso Chemicals has decided in principle to build the cracker, but Mr. Dalgetty said the company would have to be sure it could meet all the planning conditions and that it would qualify for a Government development grant of about £60m.

Local authorities are keen to see Esso Chemicals committed to the cracker project so other companies will be encouraged to move in. Mossmorran, a former mining area, has 19 per cent unemployment.

Dr. Jack Taylor, Shell's general manager, said that proposals by the Aberdour and Dalgetty Bay Action Group—which has been opposing the project and may start legal proceedings to try to stop it—had distorted the facts, been misleading and unnecessarily alarming to people living in the area.

The group had claimed that the planned marine terminal at Braeforth Bay on the Firth of Forth would be the largest in the world. In fact there were five or six larger terminals, one in Algeria seven times larger and another in Pennsylvania twice as large.

The 1977 fire which destroyed Shell's NGL plant in Qatar, killing a number of people, was also highlighted.

However, it was not true that the Qatar plant was a prototype for Mossmorran, Dr. Taylor said. In Qatar liquid propane had been stored in single containment tanks, whereas at Mossmorran safer double containment tanks would be used.

**Exaggeration**  
The action group had claimed that people up to a mile away from the Qatar plant had been killed. But this was an exaggeration. No one outside the perimeter fence of the plant had died.

"The plant we instal will be safe, safely operated and will not constitute any unacceptable hazard to employees or the people living in the area," said Dr. Taylor.

From Oslo, Reuter reported that production of oil and natural gas has started in the Eldfisk Field in the Norwegian section of the North Sea. Initial production is 75,000 barrels of oil and 120m cubic feet of gas a day, gradually increasing to 225,000 barrels of oil and 435m cubic feet of gas during peak production expected to be reached in 1981.

# BP plans onshore well in Dorset

By Ray Dafter, Energy Editor

BRITISH PETROLEUM is planning a new exploration well in Dorset in the hope of finding an oil reservoir beneath its Kimmeridge Field.

Its hopes have been raised by the discovery of a sizeable oil-bearing structure beneath the British Gas Corporation/BP group's Wyth Farm field, 10 miles away near Corfe Castle.

BP Petroleum Development, BP's exploration and production subsidiary, said yesterday that it would shortly apply to Purbeck District Council, Dorset, for planning permission to use two acres of land at Steeple to drill the new Kimmeridge well.

BP has been producing oil from Kimmeridge since 1959. The field's single well is currently yielding about 350 barrels of crude oil a day.

In the past 20 years, a little over 100,000 barrels have been extracted from Kimmeridge. One barrel contains 35 imperial gallons of crude oil. To put that total output into perspective, British Petroleum's Forties Field in the North Sea yields five times that amount—500,000 barrels—a day.

**Concessions**  
Dorset has become the centre of much of Britain's onshore oil activity. Wyth Farm is now yielding about 1,000 barrels of oil daily. When the lower reservoir is appraised and exploited, the output could build up to between 15,000 and 20,000 b/d. Evidence from new drilling at Wyth Farm suggests that the field could be comparable in size with some of the smaller North Sea fields.

The Department of Energy recently granted exploration licences to a number of companies to encourage the further appraisal of potential onshore oil fields.

The concessions, which relate only to seismic work and the drilling of wells to a maximum of 350 metres, include 925 sq. km. in Devon and Dorset to the west of Wyth Farm.

BP as operator, and British National Oil Corporation have been formally awarded an offshore drilling licence on block 208/15, north of the Shetland Islands.

# Cost of starting a farm increases by a half in a year

BY CHRISTOPHER PARKES

THE COST of starting up in farming in Britain has leapt by a half in the past 12 months according to a study from the Manchester University Department of Agricultural Economics.

Without compensatory increases in efficiency and incomes, there must be "grave concern" about the future of the land tenure system and the structure of UK agriculture, the study concludes.

A new farmer setting himself up on a 50 hectare (125 acre), owner-occupied holding will need to find £300,000 compared with £200,000 last year and a mere £38,000 in 1971.

To finance this investment and earn a return of about 5 per cent, he needs an income about 50 per cent higher than last year, "which was not a bad year for farming."

The farmers of the future, as in the past, are likely to be mainly the sons of farmers, especially where owner-occupiers have large capital resources.

But even these men, given a

sting start, will find the going hard, says the study.

"The level of efficiency and of income earned by the next generation of farmers will have to be much higher than that of their fathers unless we are to experience yet another major change in our tenurial system and in the size structure of farms," it says.

The gross rate of return on investment in land has fallen sharply in the past seven years. The return on total capital invested in owner-occupied holdings has fallen to less than 5 per cent. But the study does not view this as being of great concern to existing owner-occupiers.

"What they have lost by way of a low rate of annual return has been made up by the increase in the value of their land, which has more than kept pace with inflation.

"Many find themselves richer individuals today than they had ever expected to be," says the study.

● Farm Management Survey 1976-77 and 1977-78. Bulletin 171/FMS50. Price: £2.50.

# LABOUR

# Industrial action threat to provincial courts

BY GARETH GRIFFITHS, LABOUR STAFF

MAGISTRATES' COURTS throughout the country could be severely hit by proposed industrial action by court staff in ten days.

The Association of Magisterial Officers, which represents 4,500 court staff outside London, has given the local authority employers a deadline of August 23 for a fresh offer.

The association wants a pay deal worth 20 to 25 per cent and a restructuring of salaries.

Mr. T. Gwyn Davies, chairman of the staff side in the joint negotiating council, said unless there was an improved offer court staff would take industrial action. This would include lightning strikes, an overtime ban, a work to rule and a withdrawal of good will.

Services that could be hit include the collection of fines, the issuing of summonses, rural and special weekend courts, and

the supervision of maintenance payments. The referral of cases to higher courts could also be delayed.

The association was earlier offered 9.4 per cent new money, another 2.6 per cent from restructuring and a reference to the Clegg comparability commission, to be implemented in January 1980.

**Proposal**  
It now plans to propose a new deal. This is understood to include references to some sort of staging. The association would like the reference to Clegg to continue and wants a move on staff restructuring, for which it has been pressing since 1971.

The planned indefinite strike by London court staff was still on, said Mr. Bernard Studd, assistant secretary of the Society of Civil and Public Servants.

after talks at the Home Office yesterday between representatives of the society and the Association for Civil and Public Servants, and senior officials. He described the talks as useful.

About 500 staff in 18 inner London courts are affected. A meeting of the staff on Friday, following the collapse of pay talks with the committee of London magistrates, decided on the strike. Both unions want parity with recent Civil Service awards worth 20 to 30 per cent.

Further talks at the Home Office are planned for later in the week, Mr. Studd said. The Home Office pays 80 per cent of the costs of magistrates' courts' administration, but is reluctant to intervene directly in pay negotiations.

The deal offered to the London staff is 9.4 per cent new money and a reference to the Clegg commission.

# Union warns of strike in gas industry

BY GARETH GRIFFITHS, LABOUR STAFF

WHITE-COLLAR workers in the gas industry will be recommended by their union, the National and Local Government Officers' Association (NALGO), to take industrial action if the employers fail to improve their offer.

NALGO said yesterday talks involving 5,500 white-collar workers in the industry had broken down. Mr. Dave Strizaker, trade union secretary of the National Joint Council for Gas Staff, said:

Substantial pay increases to redress the erosion of living standards and establish a minimum wage of £65 a week have been demanded. British Gas has replied with an offer of around 14 per cent, the union said.

A delegate meeting has been called on August 29, when NALGO's National Gas Committee will recommend industrial action unless the employers improve their offer.

# ACAS move in North Sea catering dispute

By Our Labour Staff

EMPLOYERS and unions involved in the North Sea offshore caterers dispute agreed yesterday to a meeting in Aberdeen this week under the auspices of the Advisory, Conciliation and Arbitration Service.

The dispute, now in its third week has affected the supply of food and materials to between 20 and 30 rigs and platforms.

Although it has disrupted some forward building work because members of the construction section of the Amalgamated Union of Engineering Workers have been refusing to cross picket lines, the dispute does not appear to have disrupted oil production.

The Transport and General Workers Union and the National Union of Seamen, which represents the majority of the 1,000 catering workers, are claiming a minimum rate of £600 for a two week on, two week off period. The catering companies, and a contract to the oil companies have offered £440.

# Talbot protest called off

WHAT WAS to have been a mass protest at Talbot's delay over a 20 per cent pay claim was called off yesterday when fewer than 100 strikers among the 5,000 turned up.

The strike has stopped supplies of engines and other parts to the Linwood, Scotland, plant which makes Sunbeams and Avengers. Lay-offs start tomorrow. By the end of the week all 7,000 workers will be idle, ending production of more than 3,000 cars a week.

The company has stood firm on its original offer of 51 per cent. It is adamant that this is all it can afford in the light of a forecast £30m loss this financial year, but has said an incentive scheme could yield another £5 a week.

# Caution over talks on ITV black-out

BY GARETH GRIFFITHS, LABOUR STAFF

THERE WAS caution on both sides in the Independent Television dispute yesterday about the likely outcome of talks today at the Advisory, Conciliation and Arbitration Service.

Mr. Jack O'Connor, ITV officer of the Association of Cinematograph, Television and Allied Technicians, said the unions would attend the talks with an open mind. But he was doubtful over company claims about the size of the latest pay offer.

The Independent Television Companies' Association has offered the pay offer, as worth up to 23 per cent. The 15 per cent basic offer is topped up by fringe benefits and supplementary payments.

The ACIT television committee, which met all day yesterday, said it thought the offer was only worth 14 per cent. Mr. O'Connor said he would be prepared to start serious negotiations if the offer

was in the region of 23 per cent. There were shop stewards meetings yesterday of both the Electrical and Plumbing Trades Union and the National Association of Theatrical, Television and Kiné Employees. The ACTT plans to hold a national shop stewards meeting on Thursday.

An ITCA spokesman said yesterday the companies were standing firm by the 15 per cent offer. ITCA emphasised yesterday that the meeting at ACAS was simply to put Mr. Kerr in the picture. It was not the start of pay negotiations.

Southern Television is likely to have to come to a local agreement with the National Union of Journalists over the suspension last week of 30 journalists.

The current dispute at ITV has meant talks between ITCA and the NUJ but its pay negotiations have been cancelled. The NUJ, which has 400 members in independent television, wants a 24 year deal with threshold payments and restructuring.

# Negotiators meet in bid to end telephone dispute

BY NICK GARNETT AND JOHN LLOYD

POST OFFICE negotiators for the Society of Civil and Public Servants are due to meet today to discuss improved pay proposals made last week. They will try to bring an end to the dispute with sections of the corporation's telecommunications staff.

The Post Office said yesterday that the estimated loss to profit from the dispute in the current financial year was now £90m, up from an estimated £80m last month.

The new proposals and any further improvements the negotiators might seek are expected to be put to the union's Post Office group executive next Monday.

Branch meetings of the society's 5,000 telecommunications members have also been provisionally fixed for next week. If these meetings vote on a recommendation from the executive, the result will probably be known by a week on Friday.

The 37,000 Post Office members of the Civil and Public Services Association who have been involved in the same dispute are still voting on the offer.

Industrial action by members of both unions has halted computer telephone billing, disrupted the introduction of new engineering equipment, and hit other services, including the updating of telephone directories.

The revised proposals from the Post Office to the society do not alter the initial money offer. This provides for basic rate increases of 9 per cent with 5 to 7 per cent for grade restructuring, 2 per cent for productivity and 24 per cent for changing the settlement date.

The new proposals, however, include what the union believes to be an improved commitment on future grade restructuring, which affects differentials.

# Plessey workers vote to continue pay strike

AN OFFICIAL strike of 600 engineers and electronic workers at the Plessey telecommunications plant in Edge Lane, Liverpool, is to continue into the fourth week.

About half the men, members of the technical branch of the Association of Scientific, Technical and Managerial Staffs, attended a mass meeting outside the factory yesterday and voted six to one to stay out.

The decision means that 500 men who have been laid off at the company's electronics plant at Huyton will not be recalled. The 3,000 hourly-paid men at Edge Lane are still working but were absent yesterday because of the 24-hour national strike of engineering workers.

The association is claiming pay rises of 20 per cent and has rejected a 10 per cent offer.

Some of the men opposed to staying out warned that the Edge Lane plant had lost £1m last year and they could be pricing themselves out of a job.

# New building industry council will set terms for 250,000

BY GARETH GRIFFITHS, LABOUR STAFF

A NEW building and allied trades joint industrial council, which will settle terms and conditions for 250,000 companies and an estimated 250,000 people, is to hold its first meeting at the end of the month.

The new council is to meet on August 29 and will set up a regional framework in September. The move reflects disagreement among employers and the rivalry between the Transport and General Workers Union and the Union of Construction, Allied Trades and Technicians.

The Federation of Master Builders announced the first meeting yesterday. The federation and the TGWU have been the main movers in setting up

the council. The federation had not been directly represented on the National Joint Council for the Building Industry and its claim to be represented on the council had been rejected.

The changes in the building industry's negotiating structure will affect an estimated half of the industry's workforce. The Transport and General is the second largest union in building.

Mr. Bill Hilton, national director of the Federation of Master Builders and Mr. George Henderson, national secretary of the TGWU construction branch, have worked out the final details of the new joint council, the federation

Until now pay in the industry has been fixed nationally by unions and the Federation of Building Trades Employers on the industry's national joint council. The Building Decorators' Association and the Federated Association of Specialists and Sub-Contractors will also sit on the new council.

# No second Gatwick runway

THE BRITISH Airports Authority has legally pledged not to build a second main runway at Gatwick Airport within the next 40 years.

Under an agreement sealed yesterday with West Sussex Council, the authority can develop the existing taxi-way as an emergency runway to be used only when the main runway is out of operation.

In return, the council has agreed not to pursue the issue of a second runway when the forthcoming public planning inquiry is held into the

authority's plans for a second passenger terminal at Gatwick, designed to raise capacity from the present 16m to 25m passengers a year.

Mr. Don Turner, BAA's planning director, said the agreement was a significant step forward in the development of Gatwick.

"The BAA has said consistently that it has no plans to build a second runway at Gatwick," said Mr. Turner. "By our willingness to be legally bound in this way, we have demonstrated that we mean what we said."

# Two pints of high gloss, please!

GOOD KING RICHARD II is remembered for many exploits of varying degrees of bloodiness and rectitude. It is not commonly recognised, however, that he could also lay claim to the title Father of British Advertising.

In 1393 he ordered that every publican in his kingdom should display a sign "otherwise he shall forfeit his ale."

Hostelries were promptly equipped and the lead rapidly followed by other tradesmen. A right royal battle developed over advertising space in England's towns. Signs grew bigger and more extravagant and many stretched fully across the roadways on gallowes trees.

Unwary horsemen were in constant danger of being unseated or brained by the overhead clutter. Little was done in the way of control until the early 18th century, after two women were killed in Fleet Street when the pulling power of one publican's billboard caused a pub to collapse into the road.

Now history has almost turned completely back on itself. With few exceptions the only tradesmen advertising through traditional hanging signs are the publicans, with whom the technique began. Even this business has been invaded in some parts of Britain by the plastic and neon modernists.

The West Country, however, is sticking by its signs. Whitbread Flowers employs a full-time team of artists at Cheltenham to maintain, restore and replace its everyman's gallery of more than 1,000 pub signs.

Chief artist Mike Hawkes and former Chrysler management trainee Nick Robertson, soon to

# OTHER MEN'S JOBS

CHRISTOPHER PARKES ON THE ANCIENT ART OF PUB-SIGN WRITING

By changing the direction of the wind without tampering with history or technical details, Nick had repainted the sails billowing outwards towards the viewer and thus saved himself the chore of painting endless skeins of rigging and tackle.

Mike Hawkes said the basic formula of the sign painter—a blend of academic realism and expected folkiness—eludes many learners. It had taken him three months to find a new employee with the experience and necessary promise.

The artists have to accustom themselves to working in a special medium. The brushes may be brittle and sable as in any ordinary studio but the canvas is a 3 ft by 4 ft slab of aluminium and the paint is household gloss, perfect for the pasteurised woodwork but tricky on an artist's palette.

"It's like painting with treacle," said Nick. And the consistency can vary with the weather. On a warm, sunny day the paint can quickly become tacky and intractable. At other times it can run.

Mike, with 18 years' experience, says: "I still get 'curtains' all over the place."

The finished products, however, bear no evidence of these difficulties. Nor, to the casual observer, do they convey any notion of the amount of background work undertaken.

Mike, working on a Welsh pub sign, rifled through pile of references to Owen, otherwise Owain Glendower, variously Glyndower, Glywv, and Glendwr. Described according to source as a bandit, hero, buccanner, and scholar, the Welsh champion will be diplomatically represented on Mike's sign, titled in Welsh, as "a learned warrior."

But the research findings are not always followed strictly. I was surprised to learn, for example, that Lord Nelson's sea eye was quite a bright and healthy-looking as his good one. As a result he seldom if ever wore an eyepatch. But the Lord Nelson pub simply would not be the same with a plain-faced sailor in a funny hat.

In many cases that Hereford glowering down at you outside The Bull is a hopeless misrepresentation. Bull in the original pub sign language was a bulla (Latin) or seal, usually from a nearby monastery or collegiate house, as in a Pappal Bull.

Nothing, it seems, is what it seems. Consider Caton, a trustworthily English knight who fought with admirable consistency in the endless wars against France. Subsequently dubbed Caton le Fidèle, he lives on outside countless modern pubs as a capering ginger tom scraping a violin.

Bacchanals has become Bag O' Nails. And heaven knows what the Puritan administration would make of the retention of one of their favourite moities—"God encompasses us"—into The Goat and Compasses.

From the educational to the entertaining and downright gory, the studio references present an extraordinary catalogue. Naked ladies (Eyes and Ladies Godiva) culled from magazine advertisements mingle with heretic mysteries.

Villains slip happily with heroes like Rattlebone. Badly wounded in battle and finding his sword arm hampered by his trailing innards, legend says he held his entrails in their proper place with a stone roofing tile while continuing the cut and thrust.

Back in the everyday world the Whitbread artists admit that while they love their work—"no comparable jobs in the commercial field"—there are moments of tedium and frustration.

One of the least popular tasks is doing up the double-sided sign for a pub called the Twelve Bells. And sometimes no amount of delving into history books, pub deeds and parish registers will disclose the true significance of a pub's name.

If by chance any reader can throw any light on the Child Wickham in Worcestershire, Mr. Hawkes would be glad of the help. Send any information to us. The studio is too busy for visitors and in any case it is extremely difficult to find. There does not appear to be a number on the door and there certainly is no sign.

Tomorrow. Butterfly business fairly briskly by simply rubbing it down and painting over the weather-worn image.

During my visit Nick Robertson was saving a few hours and giving a new aspect to The Albion, a 19th century square-rigged warship.

By changing the direction of the wind without tampering with history or technical details, Nick had repainted the sails billowing outwards towards the viewer and thus saved himself the chore of painting endless skeins of rigging and tackle.

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In many cases that Hereford glowering down at you outside The Bull is a hopeless misrepresentation.

# Sealink to raise fares on services to Ireland

BY LYNTON McLAIn

SEALINK UK, owned by British Rail, is to raise fares on its services to the Irish Republic by almost 16 per cent from September 9 to counter a "continued rise in operating costs."

At the same time a 50p vehicle surcharge on a single journey is to be introduced on services to the Isle of Wight.

The second class single passenger fare on the Holyhead to Dún Laoghaire route and the one-class single fare between Fishguard and Rosslare will be £11, a rise of almost 16 per cent. The first class fare on the Holyhead route will also go up by almost 16 per cent to £12.75.

Rates for accompanied vehicles to Ireland will rise by 15 per cent and the surcharge introduced from June 29 this year will be withdrawn.

There are no immediate plans for fare increases on the Heysham to the Isle of Man service operated by Manx Line—in which Sealink has a 60 per cent share—but Sealink is reviewing the prices.

# Mussel extract 'eases arthritis'

CLINICAL TRIALS in Britain have confirmed the beneficial effects of treating arthritis with extracts from the green-lipped mussel, grown off New Zealand.

Dr. Robin Gibson, a Glasgow physician who has studied the mussel extract for several years, confirmed it had anti-inflammatory properties. Of 150 patients given the extract, 65 per cent of those suffering rheumatoid arthritis, and 40 per cent of those with osteo arthritis had improved.

Mr. John Creft, a marine scientist, said yesterday.

Dr. Robin Gibson, a Glasgow physician who has studied the mussel extract for several years, confirmed it had anti-inflammatory properties. Of 150 patients given the extract, 65 per cent of those suffering rheumatoid arthritis, and 40 per cent of those with osteo arthritis had improved.

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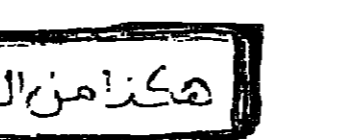
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# CORPORATE PLANNER

A major trading group with decentralised and diverse interests wishes to appoint a Corporate Planner to advise the Chairman and Main Board on all aspects of strategy formulation, resource planning and business development. He or she will be responsible for the coordination and evaluation of divisional plans and the development of a central strategy. He or she will also act as a focal point for business development and will report directly to the Chairman of the Board (who is also the Chief Executive).

Applicants should ideally be between 35 and 45. They should have experience in unit planning at divisional level, in addition to corporate planning experience at centre. The ability to focus on critical issues is more important than technical skills in planning systems.

Remuneration will be commensurate with the seniority and the importance attached to this appointment.

All replies will be treated in the strictest confidence, and should be addressed to David Cruickshank of The Corporate Consulting Group, 24 Buckingham Gate, London SW1.

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Corporate Consulting Group

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The unit trust management subsidiary of a large life assurance company is in the process of extensive development. This key new position has been created to put into effect the sales and marketing strategy.

You will have full responsibility for the development of sales through professional advisors, direct mail programmes and marketing support to the Company's Broker Division. The position calls for a thorough understanding of Stock Exchange investments and of the workings of unit trusts, a knowledge of personal taxation, a keen sales outlook and marketing experience in the broader sense. The age range is flexible but probably between 30 and 40. The salary will depend on experience, from £12,000 upwards plus car and other benefits. City location.

Applicants, male or female, should send full details of experience and qualifications, quoting ref. 1358KS/FT to:

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## INBUCON

### Office Administration Manager

Central London c. £8,000 Plus Car

For a major international shipping Company, about to establish its Head Office in London.

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The successful candidate is likely to have at least 5 years experience in Office Management in a major international Organisation or the Services. A sound knowledge of Personnel Practices is required and he or she must have the personality to work with Senior Management in a supporting role.

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Engineer: A. N. Masry  
Suzanne Park House, Suzanne Park, Mischeldever, Winchester, Hants  
(Telephone Mischeldever 521)

N.B.-Applications should be sent within one week from the date of advertisement. Promising applicants will be contacted to fix the date of interview. Copy of the application should be sent to Riyadh office in Saudi Arabia: P.O. Box 2210 Riyadh.

### HOME STUDY

#### TUTORS-BANKING

Due to continued expansion the School of Banking requires additional home-based tutors to assess and mark written work of students preparing for the Institute of Bankers examinations.

Application forms and further particulars may be obtained from:  
E. Vanden Akker, Head of the School of Banking, Intertrust House, 160 Stewart's Road, London SW9 4JJ.

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Major UAE-based trading group with diverse interests need your organisational talents. You are qualified C.A. with an excellent track record, aged 40+ and looking for a real challenge. Benefits include free accommodation, car, and potential profit share. Interviews in London this week so contact 9/11 01-734 4153

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London, EC2Y 5DA

£6,000 accountancy appointments £9,000

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c. £8000

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MALORY DURACELL

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And since you may find yourself having to advise a European Manager on how to change a system which he believes works perfectly well, you'll need several personal attributes in addition to a solid accountancy background.

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For, although the Europeans may at times be glad to see your back, the Americans at times be glad to slap it, in congratulatory fashion, you won't find the company on your back, at any time, in any fashion at all. So you must be able to work largely unsupervised, under your own steam.

You must have had at least five years experience with major business information systems in a manufacturing industry, and probably have Full Accountancy Membership. An MBA would of course, be to your advantage.

Apart from a good starting salary and an outstanding benefits package, you can expect to gain a great deal all-round experience which will enhance your professional ability and create the opportunity for a first class, exciting career within a large, multi-national organisation.

If you have most of the qualities mentioned above, I'd be delighted if you'd make contact. Telephone me, Roger Allnutt on (01) 499 0588. Please quote Ref. 73.



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CITY OF LONDON £9,000 pa plus benefits

A leading firm of City Bullion Dealers require a chartered accountant with one or two years post qualification experience to head a small accounts department.

The successful applicant will assume responsibility for preparation of monthly and annual accounts and other management information and will control the day to day accounting function.

This is an ideal opportunity for a young chartered accountant to gain experience of a challenging and rewarding field of business.

Please reply in confidence to:  
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Applications are invited from fluent Chinese speaking persons interested in a varied and unique career.

Preferably but not essentially with commercial experience—please write with full details to:

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Small dynamic private group in Mayfair with exceptional growth rate in high technology office services (from £30k-£750k in 7 years) is setting up its first proper accounting office and needs:

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one with good A levels or a graduate, the other close to, or recently qualified. Starts in the range £4,000-£7,000 working full hours, to deal with all facets of our work: credit control, branch accounting, supply negotiations, leasing, management accounts, as well as the usual book-keeping functions. The average age of the company is 28, style is informal. There is plenty of contact with clients and the staff of 60. The company has a reputation for business innovation, respect for the individual and fair dealing. Initiative is encouraged, new systems are being set up and colleagues are of high calibre. All applicants will meet the Managing Director on their first visit as well as outside financial consultants to answer frank questions.

Phone 01-734 4115 to speak to Edward Kalfayan or send c.v. to

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We require an experienced and reliable Accountant to assume control of our financial and management accounting functions. We provide industry worldwide with a materials consultancy and laboratory testing service, from our central laboratory located in Elstree, Herts., and from our regional facilities throughout the U.K. We are an expanding organisation with associate companies in Saudi Arabia and Malta.

The successful candidate, who will probably be around 35 years of age, must have:-

- \* A recognised qualification in accountancy.
- \* Good all-round experience acquired in a commercial or industrial environment.
- \* The ability to direct staff and to play a significant part within our Board of Management.

Experience of implementing computerised accounting systems would be of value.

We offer a competitive salary, company car, a contributory pension scheme and other benefits. There are positive career prospects for someone with potential and ability.

Please apply in writing to: D. H. Stanger

HARRY STANGER

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Qualified, with some post qualification experience. Successful applicant will be in late 20's and be responsible for the UK partnership accounts to the Finance Associate.

The group comprises a number of companies and partnerships in the UK and overseas. Knowledge of taxation and the application of computer technology an advantage.

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Weatherall Green & Smith  
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Small but expanding old-established Investment Bank seeks a recently-qualified ACA for the position of Group Accountant.

Reporting to the Financial Controller, the Group Accountant will be responsible for the day-to-day control of the busy accounts department, and will be closely involved with a wide range of accounting, secretarial and banking functions.

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Box A6870, Financial Times, 10, Cannon Street, EC4P 4BY.

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We are one of the largest and most progressive Continental vehicle dealers in the country with a turnover of over £6 million. The position, which demands a qualified C.A. or a person with wide practical accounting experience, offers an interesting variety of responsibilities and activities. Experience in the motor trade would be an advantage though not essential. Sophisticated Business Management systems have been instituted and rapid financial reporting is essential.

Salary is negotiable but will be commensurate with experience. Fringe benefits include use of company vehicle and B.U.P.A.

Please write with C.V. to:

The Company Secretary  
THACKER MOTOR GROUP LTD.  
155/159 Edgware Road  
London N.W.9

## CAREER OPPORTUNITY FOR A YOUNG ACCOUNTANT

Fast-expanding distribution group, turnover £5m+, require qualified person to take charge of accounts office and produce management and financial accounts. Applicants should have previous commercial experience.

Salary: £7,000-£8,500 negotiable.

Write in confidence to:

The Chairman, Horwood Catering Equipment Ltd.,  
Caterers' House, Selsdon Road, Upton Park, London E13.

## Qualified or Part Qualified Accountants

Two major Banks in the City are seeking Accountants for their Secretarial and Investment Trust Accounts Department. Both posts are responsible, senior positions with salaries ranging from £8,000 to £9,000 plus the usual banking benefits and facilities.

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Our client is a major group specialising in the manufacture of high quality jeans and sportswear under a famous brand name. The products have proven success records and are already brand leaders in several countries in the world.

The client is seeking a well-organised, marketing-orientated UK company with ample experience and brand concepts in distributing consumer goods (preferably jeans or sportswear) as their exclusive distributor in the United Kingdom. This is an excellent opportunity for firms which wish greatly to increase their turnover or to diversify into this field. It is projected that the turnover in the first year of operation will exceed £3 million.

Interested parties are requested to give full particulars of their marketing experience, financial capacity and any other relevant details to substantiate their eligibility to:

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LONDON SE1 9SY  
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recently Managing Director with leading public company seeks a limited number of private companies which would benefit through his executive involvement. Equity capital available.

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Substantial cash offers for companies engaged in property development or dealing or investment. Also for companies with large liquid resources.

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Turnover £1 million. Net profit £60,000. Freehold site. Genuine reason for sale.

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Includes two 2,000-ton Blasting Presses with Automatic Stock Feeds, Tooling, Welding and Finishing Facilities, Packaging and Shipping Equipment, installed in England. Sales volume potential £10,000,000 per year.

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International Company wishing to expand its trading operations and diversify, has substantial funds available for suitable operations.

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Major International Group, currently without a significant United Kingdom presence, wishes to acquire a substantial private or public company to form the base for its expansion throughout Europe.

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A well-known NORTH NORFOLK FREEHOLD INN and Restaurant FOR SALE. Located in excellent setting, golfing area. Sustained record of good profits. Existing management could be retained. Adequate accommodation for owners. Present owner moving to larger unit.

## APPOINTMENTS Executive changes at Philips Data

Philips Industries has appointed Mr. Brian Manley as managing director of PHILIPS DATA SYSTEMS, the computer division of the Philips group in the UK. The appointment takes effect on September 1, 1979. Mr. Manley remains managing director of Pye TMC. Dr. Richard Hornsfield, who has been managing director of Philips Data Systems since 1976, is to have a senior marketing position with the Data Systems Product Division in Apeldoorn, The Netherlands, from that date. At the beginning of October, Mr. Tony Neilson, sales director of Philips Data Systems, will become marketing director responsible for sub-systems at Philips Data Systems, while Mr. Geoff Hoddinott, returning to the UK from being managing director of Philips Data Systems in Canada, will be named director in charge of stand-alone systems. In addition, Mr. Manley will lead a team concerned with planning the concentration of Philips' marketing activities in the office electronics field.

## THE LONDON LIFE ASSOCIATION

has made the following appointments. Mr. E. Roy Avery, new business manager, to be an assistant general manager and Mr. Frank H. Housley, planning manager, to be an assistant general manager.

## Mr. Iain Macleod

has been appointed manager of BUTLER-TILL, sterling money brokers, from September 1.

## Dr. W. F. L. Wilby

is to join the Board of NEXOS OFFICE SYSTEMS as development director. He will be responsible for the development of the office systems architecture and for the integration of the products provided by Nexos key suppliers into a comprehensive system.

## Mr. Donald R. Saunders

has joined the Board of DUPRE INTERNATIONAL as non-executive director with specific responsibility for advising the Board on corporate strategy.

## Mr. George F. Sommerville

has been appointed director of LAPORTE INDUSTRIES (HOLDINGS) for health reasons and has ceased to be managing director and chief executive of the group. For a temporary period the chairman will carry out the additional duties and responsibilities of managing director.

## Mr. Billy B. Ross

has been elected vice-president and controller of the EL PASO COMPANY. He will be responsible for the accounting, budgeting and forecasting functions.

## Mr. Richard M. Robinson

has joined the Board of EVA INDUSTRIES as a non-executive director. Mr. F. A. Tates has become a special director and continues as managing director of the group's agricultural hand tool subsidiary, the Chillingham Tool Company of Wolverhampton.

## Mr. Graham P. Davis

has been appointed deputy chairman of BRITH AND CO and continues as managing director.

## The Economic Forestry Group

has appointed Mr. John A. Francis to the Board of ECONOMIC FORESTRY (HOLDINGS).

## Mr. Michael Lowe

has been appointed director of operations and Mr. David Keel manager of engineering. JERROLD INTERNATIONAL.

## Mr. John R. Webb

has been appointed deputy vice-president of ESSOCHEM EUROPE INC. The Brussels-based company co-ordinates Esso's chemicals office systems in Europe, Africa and the Middle East. He succeeds Dr. F. S. Walker, who has been named general manager of Exxon Chemical Company's central engineering division at Florham Park, New Jersey. Mr. Ernest J. Deane, Esso's former director of Esso Chemie GmbH Köln, has succeeded Mr. Webb as aromatics vice-president.

## Mr. R. F. Linnage

and Mr. P. M. Johnson have been appointed directors of A. L. STRONG (MANAGEMENT) from tomorrow.

## Mr. D. J. Leppman

general manager, life of the COMMERCIAL UNION ASSURANCE COMPANY, is to retire. The position of general manager, including the life operations of the company's UK division, will be taken over by Mr. A. de Hull, general manager, international affairs.

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## WE, THE LIMBLESS, LOOK TO YOU FOR HELP

Welcome from both world wars. We come from Kenya, Malaya, Aden, Cyprus, and from Ulster. From keeping the peace no less than from war we are limbless look to you for help.

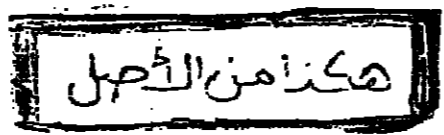
And you can help by joining our Association. The British Ex-Services Men's Association looks after the limbless from all the Services. In help, with advice and encouragement. To overcome the shock of losing arms, or legs or an eye. Usages that red-tape does not stand in the way of the right rehabilitation position. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in peace and dignity.

Help B.E.S.M.A. please. We need money desperately. And we promise you, and a penny, will be needed.

Domestic and Information: Major The Earl of Ancaster, K.C.V.O., J.D., M.B.E., M.B. (Liquor), M.B. (Public Health), M.B. (Surgery), M.B. (S.A.), M.B. (S.P.D.).

**British Limbless Ex-Services Men's Association**

SECRET TO THE PRESS - PLEASE!





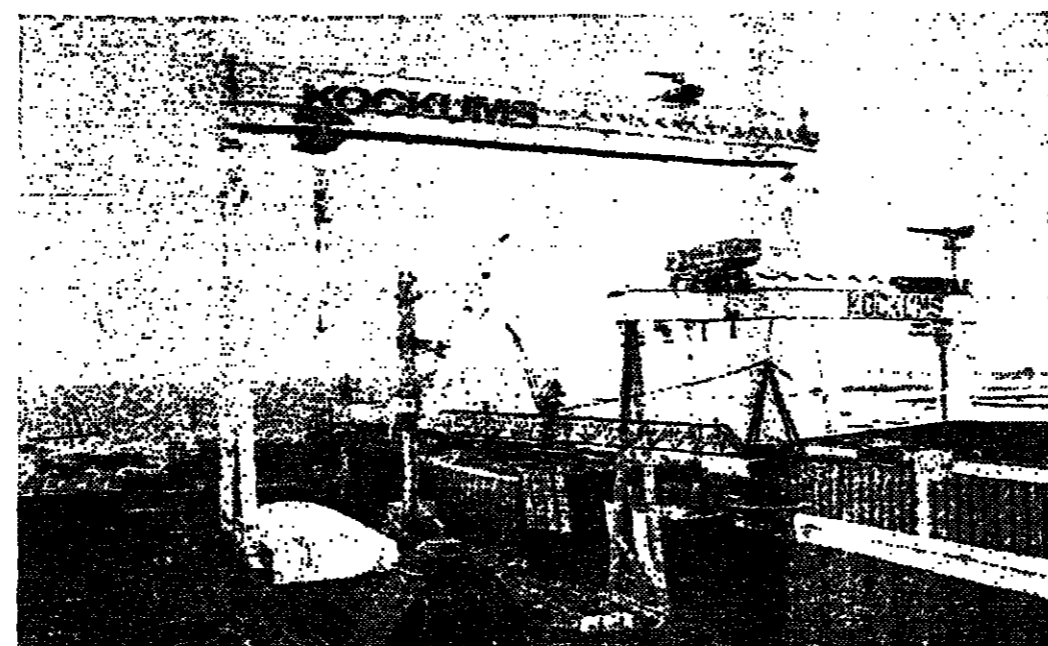
MANAGEMENT

Ian Hargreaves looks at how Svenska Varv and its British counterpart, which are products of quite different political circumstances, compare two years after nationalisation

Swedish shipbuilders in the same boat as Britain's

IN THE two years since its nationalisation British shipbuilders has lost £153m but that pales into insignificance compared with the massive costs of sorting out Sweden's shipbuilding industry, nationalised at a similar time.

Secondly and equally important, ownership of Sweden's shipyards happened to be closely tied to its major shipping companies.



Kockums of Malmö, the last major recruit to Sweden's nationalised shipbuilding industry.

Although they may have been nationalised at the same time, Svenska Varv and British Shipbuilders were the product of quite different political circumstances. But for both corporations the two-year period has been a continuous struggle between political sensitivities, the desire of a new management to manage and the most decisive factor of all, the backcloth of the worst world market for shipbuilding for at least half a century.

This latter fact enabled the Swedes to avoid the inter-departmental squabbling between shipping and shipbuilding ministries (Trade and Industry), which was such a prominent feature of the first year of state-ownership in Britain.

Earlier crises

As in Britain, some Swedish yards had already been nationalised during earlier financial crises. Initially Svenska Varv was charged with bringing together the two main state-owned yards with the state's new interests in the Gotaverken yards of Gothenburg, which before 1977 were controlled by Salenivment, one of the country's principle shipowners.

More recently, the connection has enabled Sweden to move towards a "total maritime solution" which may end up with the state dominating the shipping industry of the country as well as its shipbuilding. Something which will remain inconceivable in this country, where shipowners believe the acceptance of a single handover from the Callaghan Government would have been the equivalent to cracking a bottle of champagne across the bows of the first Wedgwood Benn Line ship.

Sweden's state ownership of the shipyards was both reluctant and gradual. Indeed, it was only concluded a few weeks ago when the last remaining major shipbuilder in the country, Kockums of Malmö, joined Svenska Varv after, first, a spirited resistance and then a spirited negotiation for the best possible terms.

But this does not mean that nationalisation has not been a confident process. The yards taken by Svenska Varv were acquired from the board of the parent corporation is still composed almost entirely of former leaders of the old companies, with some recent additions from non-marine industries.

production of big tankers, which was the first section of the industry to feel the slump. Without prompt action, the Swedish yards could have been annihilated by the end of 1978, whereas the more diverse origins and order book of British Shipbuilders were still giving it greater staying power.

The last of the nine ships involved is now nearing completion. The vessels in question have either been sold at a heavy loss or passed into the control of Zenith, Svenska Varv's own ship holding company, which is now technically the largest ship-owning company in Sweden, with interests in 50 ships (many of which were taken over because of bad debts with other ship-owner customers in Scandinavia).

represented shipbuilders present, with an array of top executives from both corporations busily putting across the new image in the most important shipping market in the world.

BS has stuck to this policy, although yards retain the freedom to do their own marketing as well as they wish to it is argued that only by this means has BS made the industry known in the new markets of the developing world and developed the ability to put together conglomerate marketing packages. Such as the £115m deal with Poland signed almost two years ago.

Earlier this year, Svenska Varv decided it had got this side of things wrong. It was winning some orders, at high Government cost, but the view was taken that such a system would not provide an effective longer term strategy because of the product range the Swedish yards would find themselves handling.

in the 1980s, they concluded, the production line metal boxes of tankers and bulk carriers on which the Swedish industry had based its expansion would be built by the new, low-cost countries like Korea, Brazil and Poland, leaving the more sophisticated one-off ships for

labour made redundant from shipbuilding. It is this organisation's job to pay the displaced men, to help them find alternative work and to arrange their retraining if necessary. Such an operation takes place, of course, in the context of the most advanced system of social benefits in the world and in an industrial context where there is great flexibility between trades and where strikes are almost unknown. It has enabled the Government to promise shipyard workers that there will be no real redundancies in the next 18 months.

These are the biggest differences between what has happened to Svenska Varv and what has happened to British Shipbuilders. There are of course, also many similarities. The system of central financial control appears to be similar and even the "arm's length" theory of separation between Government and the industry sounds very similar in theory in both countries, although there is a big gap between theory and practice.

So far, Britain has been more successful in retaining its share of the world orderbook and the latest figures put the two countries almost neck and neck with 1.1m gross registered tonnes of orders in hand. Each now has about 4 per cent of the world orderbook—which is Britain's normal level in recent years, but which compares with a share in excess of 10 per cent for Sweden in 1970.

If, as now seems certain, state control of shipping extends further in Sweden, it will be interesting to see whether it is possible, as the present policy-makers intend, to pass control back to the private sector when the market improves. If that does not happen, Sweden will have the even greater challenge of running a state-dominated merchant marine in an industry where state control is almost universally regarded as the kiss of death because of the speed of decisions and the nature of the risks involved in running ships.

Shipbuilding is unlikely, in spite of the British Conservative Party's last election manifesto, ever to be returned to the private sector in either country. For both Britain and Sweden, the issue in the next two years will remain chiefly one of survival.

Starting point

"Our starting point is that we must find profitable work if we are to survive," says Anders Ulbers, the group's chief planner. "If we cannot identify such profitable areas, the industry will have to disappear."

These summaries are condensed from the journals of abstracts published by Anbar Management Publications. Readers wishing to consult original texts should write to: P.O. Box 23, Wembley HA9 8DJ.

The Future of Operational Research is Past. R. L. Ackoff in The Journal of the Operational Research Society (UK), Feb. 79, p. 93 and Mar. 79: p. 189 (292 pages).

Argues that OR is moribund (1) because it has become preoccupied with abstract techniques rather than real-world problems, and with the analysis of closed mechanical systems rather than open, purposeful systems, (2) because it is introspective, no longer multi-disciplinary, and excludes managerial participation; compares the OR graduate to a surgeon trained in the use of surgical instruments but with no knowledge of anatomy or physiology. Suggests that revitalisation, though unlikely, is still possible, and explores ways in which to do so, e.g. return to multi-disciplinary teams, and transform the war OR is taught. A persuasive, well-written essay by an American pioneer of operational research.

The Product Liability Crisis. J. G. Kaikati in Journal of Small Business Management (US), Vol. 16 No. 4, p. 46 (10 pages).

Stresses the rapid increase in successful product liability cases, and the attendant increase in insurance premiums; sets against this how business is reacting (preventive engineering, formation of captive insurance companies), what the U.S. Government is doing (discussions on federal re-insurance), and what the author suggests (abolition of payment of lawyers on a commission basis and a statute of limitations).

Confusion Intentional. H. Bostezky in Zeitschrift für Organisation (Fed. Rep. of Germany), Feb. 79, p. 63 (73 pages, in German, English version available).

Deliberate attempts to create vagueness within the structure of large enterprises appear, absurd, but constitute an important aspect of organisational reality and are at the root of many unsatisfactory situations. Lack of clarity serves members of the organisation who wish to strengthen the prevailing power structure or who desire to achieve personal objectives. (Journal's abstract, edited.)

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHEIERS

ENERGY Low-grade heat is put to work

TESTED and demonstrated on a laboratory scale by a Krupp group member company is a method of extracting heat from reject fluids in process and other plants and converting it into heat energy at a higher temperature.

GST Gesellschaft fuer Systemtechnik has reversed the absorption heat pump cycle to achieve this, but without any additional investment for high-grade energy.

HANDLING Lifts big components

NOW ON the UK market is a 36 feet diameter mobile platform ringer crane, which has been designed for use mainly in the fields of jacket fabrication and process engineering.

This should be of considerable interest to plant hire companies says Manitowoc (UK), Priory House, Alport Lane, Wembley, Middx.

PROCESSING Produces complex shapes

EDM spark erosion machines used in the electric discharge sinking process can often provide the best answer to the production of complex shapes to the high degree of accuracy required by the tool-making industry and for production work in aerospace, hydraulics and turbine engineering.

Matchless Machines, Blechley, is introducing a new small machine made at Blechley under licence to AGIE of Switzerland.

Circuits trimmed fast

AUTOMATIC trimming of on-substrate resistors on thick film and hybrid integrated circuits can be carried out at the rate of 2,000 trims per hour using an air abrasive system put on the market by BFI Electronics, 518 Walton Road, West Molesey, Surrey KT8 0QP (01-941 4066).

PACKAGING Makes carrier bags

RECENTLY launched by FMC Packaging Machinery Division, Denderstraat 46, Aalst, Belgium, is a carrier bag making machine which also stacks the bags for ultimate use by packers (wickets them).

The machine operates to metric dimensions and can make wicket and the bags at speeds between 220 and 250 per minute depending on the type of plastic film and draw lengths used.

PRINTING Efficiency is increased

PRODUCTION OF 1m hinged lid cigarette cartons with separate printing, diecutting, etc., machines, needing two or more passes, required the labour of 16 persons before the installation of a Chambon NL five-colour press. This now achieves the same output with only six people — and the work is done more quickly with less downtime and less waste of board — finds Dutch printing

ASSEMBLY Tightens flange bolts

HYDRA-FLANGE tensioner is for the accurate and uniform tightening of flange bolts in situations where there are large numbers of identical smaller-sized high-pressure flanges.

It ensures that all flange bolts are tightened simultaneously to the correct predetermined load in the shortest possible time and, since it needs to be fitted to only one side of the flange, is particularly useful where access is limited or the operator has to work in a confined space.

With both offshore and on-land applications, the unit uses hydraulic pressure to stretch the flange bolts axially so that high loads can be evenly applied with minimum effort, which the Swedish industry has based its expansion with conventional torque methods, and achieved at the expense of considerably greater effort.

While a Hydra-flange unit will fit only one particular type of flange, a unit can be produced to fit any standard or non-standard configuration of bolts. Each is made up of separate

CALCULATORS Thin as a penny

SLIMMEST calculator in the world, 1.6 mm deep, with no moving parts is the Sharp EL8152. But it is no toy and the flat, brushed-metal unit can be quickly fitted, operated or removed.

Having assembled the flanges and inserted the bolts so that the threads protrude through the hexagon nuts on one side of the flange, the separate segments of the Hydra-flange tensioner are positioned over the flange.

A puller is then screwed on to each protruding bolt thread and the hydraulic lines connected, one to each segment. On applying pressure the Hydra-flange rams push against the bolt. The nuts are then easily tightened without torque by tommy bar through a slot in the Hydra-flange body.

Hydra-flange for further details at Bentley Hill Close, Walsall, West Midlands—tel. 0922 21689.

COMPONENTS Plastic pipe jointing method

SIMPLER AND more secure mechanical jointing of polyethylene pipes is promised with the Viking Johnson Quicklock coupling says Vitecual, PO Box 13, 46 Wilbury Way, Hitchin (0642 4452).

The joint consists of two interlocking aluminium alloy ferrules which are inserted in the ends of the pipes by a special tool. Part of the ferrule inserted in the pipe is provided with a series of annular grooves or serrations which grip the

Hydrostatic transmission control

DISPLACEMENT of axial piston pumps used in the Abex Denison Trimline hydrostatic transmission can be remotely controlled with great reliability using Model 500 electro-hydraulic stroker just introduced by the company.

The device is mounted directly on to a shaft which projects from the sides of the pump casing and which when turned controls the pump stroke via hydraulics and a cam mechanism. A cam position indicator is mounted on the other end of the shaft.

Energy to rotate the control shaft is obtained hydraulically with control from an electric force motor. This motor alters the position of a jet pipe which can generate, through orifices, pressure at the two ends of a piston, the piston in turn rotating the control shaft. When there is no demand (zero current in the force motor) the

pressure at the two piston ends is equal and the shaft remains stationary.

Change of command signal moves the jet pipe and rotates the shaft to a new position, altering the pump stroke. Eventually a spring balance mechanism re-centres the jet pipe and a new steady state condition is achieved.

More from the company at Victoria Gardens, Burgess Hill, Sussex RH15 9ND (04446 5121).

Provides fine control at low speeds

AN IRONLESS rotor low inertia dc servo motor of 20 watts output power that should prove useful for positional and velocity control of small x-y tables, control valves, laser scan drives, printers and recorders has been developed by McLennan Servo Supplies. The use of an ironless rotor

Looked closely at your company stationery lately?

Take a look! Is it flat, dull perhaps, does it need a lift? SELWYN Thermography is the answer. Quality relief printing in any colour from the smallest type to the largest company symbol. It's fast and quick change of copy is no problem. It's a virtually half the price of die stamping too.

More from Doman Road, Camberley, Surrey (0276 26148).

electrical wire and cable? NO MINIMUM ORDER NO MINIMUM LENGTH ANXR Thousands of types and sizes in stock for immediate delivery LONDON 01-561 8118-ABERDEEN (0224) 724333-GLASGOW (0474) 332 7204/2-WARRINGTON (0926) 810121-TRANSFER CALL CHARGES GLADLY ACCEPTED 24HR. EMERGENCY NUMBER 01-637-9567 Ex 409

house, Verahout and Van Sluipers' Drukkerijen BV. With the new press, the company is able to deliver nine-tenths of its much bigger total output to the UK and to free the rest of the plant for different types of carton work. Chambon is in the UK at Riverside, Works, Standish Road, Hammersmith, London W.6 (01-741 0441).

Take a close look at SELWYN THERMOGRAPHY To The Selwyn Press, Northern Way, Bury St Edmunds, Suffolk, IP23 6NR Tel. 0284 63201 F.T. 14.8

Vertical text on the left margin: 'MENTS e change s Data', 'usine futur', 'WE THE LIMBLESS LOOK TO YOU FOR HELP'

LOMBARD Basil's unlucky thirteenth

BY JOHN CHERRINGTON

Dear Uncle Tom, Thank you for your letter and information for my family...

I am saddened but not surprised by your rejection of my request for assistance. The last budget presented the rich with such an overwhelming incentive to enjoy the fruits of their past labours...

Regarding your suggestion of entering the Civil Service or the European Parliament, I must respectfully point out that the former has stopped recruiting for the present, and the latter's membership has been settled for the next five years...

So for the time being I am soldiering on with my family, helped by a bank loan at 17 per cent and am considering selling some of my equity to a merchant bank in order to get more finance...

Even so I am not quite convinced that SB is right. At the end of the year I shall still have to fork out £17 for every £100 borrowed, and in no way can I make it any less...

Thank you for your letter and good wishes. Your Aunt and I are very well. After a tour of the better foreign resorts we are disappointed to find that they look like being

invaded by many other people with the same ideas as ours. The demand for houses has pushed prices high. I hope the slight recession in sterling will only be short lived.

As to your query, Mr. Brittan is absolutely right when he says that MLR at present will only amount to 3 per cent or so at the end of the year in real terms...

On the other hand there are others who stand no chance at all of recouping these added costs. I have long been, as you know, critical of the feather bedded farmers in the EEC and Britain...

In your own business, Basil, you are even worse off. There is no built-in guaranteed price structure for what you make, and you have, as you pointed out in your last letter, great difficulty in your export markets with the strength of sterling.

Nor should you be too sanguine about prospects in the home market. No other European country carries such a burden of high interest rates, and the strength of sterling is making it all too easy to sell imported goods here...

I quite understand your inability to join us yesterday and am sending you a brace. Your affectionate Uncle, Tom.

The auction-room market marks time

LOOKING AT the results of the London wine auction rooms for the 1978-79 season...

Certainly the three London auctioneers, Christie's, Sotheby's and Bonhams, all showed an increase in cash turnover in their own rooms...

As you must be well aware, the Nationalised Industries and many other monopoly sellers are in this position, and the rate of interest and some of their other cost inputs are automatically passed on to the consumer...

The results have been influenced by the fall in the dollar and indicated recession in the U.S. All three salerooms report a drop in the number of American bidders...

Course will suit Paradise Bay

THE PRESENCE of Bozovic, Final Straw, Millbank (U.S.) and Paradise Bay will ensure a fascinating race for today's Seaton Delaval Stakes at Newcastle...

RACING BY DOMINIC WIGAN

Another who got home in workmanlike fashion recently was Bozovic, who runs today in preference to Lavinsky. He had more in hand at the line in the Sandwich Stakes than did Final Straw in his race...

WINE BY EDMUND PENNING-ROSELL

knocked down for much less. The most interesting sales of the season were those at Christie's devoted to wines from the private cellars of two Bordeaux chateaux...

top of all, the rare Petrus 1961 made £500 a bottle. The 1966s made reasonable gains too, though apart from Petrus (up to £760 a dozen) and Lafite (£500), not in line with their age and maturity...

ENTERTAINMENT GUIDE

OPERA & BALLET: COLISEUM, Covent Garden, 8.00-9.00. ROYAL FESTIVAL HALL, 10.00-11.00. THEATRES: GLOBE THEATRE, CC, 01-437 1892. THE SHREKHOLES MYSTERY. THE CRICKETER OF BLOOD.

NEWCASTLE

2.30-Cheka 3.00-Whistling Tom 3.30-Danny Bidder 4.00-Paradise Bay 4.30-Omdurman 5.00-Sunshine Lie

Radio director

MR. TOBY HORTON, a banker, aged 32, has been appointed managing director at Radio Tees, the independent local radio station that serves south Durham, Cleveland and North Yorkshire.

TV

5.30 The Wombles. 5.40 News. 5.55 Nationwide (London and South-East only). 6.20 Blue Peter Special Assignment.

F.T. CROSSWORD PUZZLE No. 4047

Crossword puzzle grid with numbers 1-27 and clues for Across and Down.

ACROSS

- 1 Dryness of the first letter missing (6) 4 Jazz leader goes around South American country in a schooner (8) 7 Comparatively over-hasty and possibly streaky (6) 8 The bird finds ease, we hear, on the river (6) 11 Has ability to work in a Constellation (7) 14 A short trip with the marshal in the copse (7) 17 Small boats for company transport upset Les (8) 18 A sense of taste gets round in this hill (8) 19 When pronounced it may mean a stretch (8) 22 Class gets at general layout of proposed publication (6) 23 Broken portal causes tour of inspection (6) 24 Pursuit for one in a London suburb (6) 27 The gull gets other birds on the way up (4)

SOLUTION TO PUZZLE No. 4046

Grid for puzzle solution with letters filled in.

DOWN

- 1 "No other books but — and the tally" (Henry VI) (3,5) 2 Signs acrostically (8) 3 Dapper wood (6) 5 The girl friend of Narcissus always had the last word (4) 6 The garden of Eden is in the show (8)

THE ARTS

Hayward Gallery

An Annual let-down by WILLIAM PACKER

English art needs and deserves its calendar of festivals, for there is more than enough good, interesting and worthy work being done to supply such occasions that without them might never get beyond the studio.

even the Academy seems, oddly, to carry just as much weight, a success with John Moores or Tolly Cobbold, with or without the prizes, rather more.

The Arts Council, however, at least under its Hayward hat, seems still to be over-cautious to be fair and democratic in its processes, and, most importantly, to be seen to be so.

Every year it is interesting but unsatisfying, and we come away puzzled and frustrated not because the works themselves are difficult or offensive or outrageous, though they might be, but rather because again the Annual itself has let us down somehow, for all its honest ambition and good intentions.

The essential problem is easy to isolate, rather harder to solve: the three simple and inter-related issues of whom to include, how to choose them, and what to do with the hands.

The uncomfortable option open to the selectors to include their own work in the show is another nettle not yet grasped, and one that surely should be lopped down altogether.



Bruce McLean with Sylvia Ziranek in a performance of his 'Un Morceau de Gateau'

necessarily to say that their sections are any the stronger; and Helen Chadwick, whose field is performance and installation, has also stood aside.

Only Tony Sinden's room full of mirrors, plinths and photographs of mirrors, and endlessly running loops of film, was at all as it should be.

John Hilliard's own photographic works were shown in a previous annual, and to his credit he makes no bones about choosing whom he considers to be the five best British artists now working primarily with photography.

Nicholas Pope exposes himself less, moving into middle ground and middle reputation, picking out four worthy sculptors all fairly safely established but not one of them exactly a star.

entire show, and taking up station alongside Leon Kossoff. His work, and that of Andrew Valley, is over-stretched and unresolved, neither artist able to sustain the ambitious scale he chooses to work on.

Which brings us at last to the non-figurative work chosen by James Faure Walker, all of it of what we might call the Artscribe School of latter-day abstract expressionism, indeed an active and interesting school of young painters who are intelligently eclectic at their best.

The Hayward Annual runs until August 27.

Festival Hall

Mozart

by NICHOLAS KENYON

Some of Pinchas Zukerman's programmes in his current South Bank Summer Music series are drawn from those he has been directing in the Mostly Mozart Festival in New York.

Miss Blegen makes a glorious sound—tense, tightly moulded, blazing with life—but her characterisation is too pert and knowing for the simple-hearted music she sang.

If there was every excuse for Miss Blegen to show off in her chosen works (for there is little else to do with them), it was disconcerting to have the same treatment applied by the pianist

Yefim Bronfman to the C minor Concerto K.491. Mr. Bronfman has a style of Mozart-playing I much admire: weighty, crisp, no note ignored, and no pursuit of beauty for its own sake.

Mr. Zukerman's amiable approach to the orchestral accompaniment did not help matters in the concerto; he was far better suited to the Haffner Symphony, which closed the programme. Here his distinctive gutsy zip inspired the English Chamber Orchestra to the boldest playing of the evening.

Pizza Express, Dean St., W1

Art van Damme by KEVIN HENRIQUES

A mixture of curiosity and genuine interest attracted me on Friday to hear American accordionist Art van Damme, the man who, along with the Dutch-born Mat Mathews, can claim to have made a jazz instrument out of something more often associated with folk music.

Straightaway van Damme's virtuosity compels the listener to take the keyboard-bellows-and-button instrument completely seriously. In three tune-packed sets with a British rhythm section he dispelled any reservations one might have had about the accordion in jazz.

along swingingly, indulging in some shabby four-bar exchanges with each of his three accompanists.

In ballads, where the left hand has to pick out the chords more deliberately and with more clarity, the accordion does teeter on the brink of wishfulness, as exemplified in his versions of "Here's That Rainy Day" and "Misty".

Undoubtedly van Damme, an experienced, likeable, communicative musician, knows this and skilfully built his programme, mixing tempos and moods so that the listener never became restless, and selflessly distributing adequate but not excessive solo space to Len Skat (bass),

Allan Ganley (drums) and Dick Abell (guitar). The last-named, a refugee from the session world and not a familiar figure on the jazz scene, caught the ears with some consistently driving accompanying and assured solo work, notably on "Green Dolphin Street."

Art van Damme's skill in squeezing convincing and always swinging jazz from the cumbersome accordion won him a lot of admirers during his brief visit last weekend. Admittedly the evening might have been more absorbing if there had been a front-line instrument beside him such as we get when British accordionist Jack Embrow and trumpeter Johnny McLeavy get together. However enterprising Pizza Express proprietor Peter Bozot promises the return of this not-to-be-missed pair to his Dean Street establishment within the next few months.

Chardin in Cleveland

by FRANK LIPSUS

The Cleveland Museum of Art is the richest in America—at the minute. Once the J. Paul Getty estate is sorted out, the museum founded by the oil magnate in California will receive some \$800m, a figure that will make Cleveland's healthy \$100m endowment look almost paltry.

On the other hand, the Cleveland Museum provides a model of the different use of unbounded wealth (or at least enough money to keep museum entry free and add hundreds of new acquisitions a year). Like the Getty Museum, Cleveland's wealth is of relatively recent vintage. It came from the descendant of Marcus Hanna, the business man known to history as the confidant of President McKinley at the turn of the century.

The museum has had a number of other benefactors over the years. The community it serves, which sits on Lake Erie in northeast Ohio, is a rich product of the industrial revolution. Numerous fortunes have been made there and a surprising number of them were donated to the museum at such, allowing professional curators to build the collection as they wished.

The Cleveland Museum has the enviable capacity to exhibit some 80 per cent of its collection, thanks to two wings built in 1958 and 1970. Conscious of its need to bolster the weaknesses in the collection, the museum is constantly on the look-out for available items. But, as noted in the introduction to



'Soap Bubbles'

the museum's report on the six pieces it bought from the von Hirsch auction, "Great Renaissance works are virtually unattainable." Money cannot buy what is not for sale. The museum compensates for what it lacks by decorating rooms with period furniture. The galleries are organised strictly chronologically (and works are well identified with not only the information about the painting itself and the history of the work's ownership, but also the issue of the museum bulletin in which it is described). As a result, the works fit into an

appropriate setting, but in some areas, like 18th-century Europe, the art is overshadowed by the ornate decorations.

The latest wing also provides adequate space for visiting exhibitions, a programme the museum conscientiously pursues with a concern to make available at least on loan what

what in the 18th century was considered more a craftsman's trade than an art. Nevertheless, he was accepted quickly into the French Academy largely as the result of a very early work, *The Ray Fish*, which portrays the fish in a vivid, just-killed state, surrounded by kitchen utensils, bottles and an observing cat.

Other domestic scenes are caught in *Jar of Apples*, *The Cat Melon*, *Tinned Copper Pot and Mortar and Pestle*, works done throughout his life that show a taste for arrangement, colour and proportion if not much interest in depth and scale. Simple walls and ledges make up the background and foreground of such works, a framing device that lacks the compelling interest of even the simplest backgrounds of his figured works.

The cat in *The Ray Fish* was followed by a monkey in a corner of his otherwise still life large canvas. Attributes of the Arts. From there Chardin did splendid figures in simple but evocative scenes, works that in their demure luminosity, if not their religiosity, resemble *La Tour*. There are a few canvases with numerous figures, notably a now lost early commission from a surgeon who wanted Chardin to depict his trade—as practised in the street—for a signboard. Later works with figures involve lighthearted domestic scenes, like the young boys playing in *Soap Bubbles* and *The House of Cards*, where the figures concentrate very hard on the task in hand.

Late in life, Chardin went back to still lifes, but the culmination of his works, at least in combining his interest in domestic scenes and his ability with figures, comes out in paintings like *Woman Drawing Water from a Water Urn*, *The Return from Market*, *Saying Grace* and *The Governess*. In these, an active woman goes about her chores, some concerned with provisions, others with instructions to the young. The works make a comprehensive display of an artist who worked slowly but in the 80 years of his life portrayed a rich pageant of his fellow man, caught in the simple life that characterised the age at the end of the ancien régime.

Propping up the Bard

The Drama Studio in London arrived in New York with an amusing parlor game of a play called *Propping Up the Bard*. Judging from the accents emanating from the fresh faces on stage, the Drama Studio does a creditable job of training Americans in Shakespearean dialogue. So it is only appropriate that Patrick Tucker devise this compendium of Shakespearean scenes to test the wits of an American audience.

Presented in one of the new off-off Broadway houses in 42nd Street, the play consists of a dizzying number of scenes using such familiar props as rings, handkerchiefs, a skull, crowns, keys, and ghosts. The young actors and actresses pass the

manipulating Richard III, the latter ably managed by Frances Ketcham, who was forced into such an unpleasant role no doubt by the disproportion of two women on stage to every man.

Deborah Meyers had a strong and tuneful voice, while Marc Epstein proved to be a nimble Tybalt fighting Benvolio as well

as a tongue-tied and shoe-tied Malvolio in the antics of the planted letter.

The production introduces the Drama Studio to New York in anticipation of its opening an American school in Berkeley, California. May the missionaries succeed without being devoured by the natives! F.L.

WNO opens with 'Tristan'

Welsh National Opera's autumn season at the New Theatre, Cardiff, opens on September 8 with *Tristan and Isolde* conducted by Reginald Goodall.

Linda Esther Gray will sing Isolde opposite John Hutchinson as Tristan. The Dane Bent Norup makes his British debut as Kurwenal and Gwynn as Howell returns to Wales to sing King Mark.

Advertisement for Forbes magazine featuring a large logo and the text: 'Forbes announces a special advertising section on BUSINESS EQUIPMENT. TECHNOLOGY THAT FORCES EXECUTIVE DECISIONS. to be published in the November 12, 1979 issue. Written by Harvey L. Poppel, Senior Vice President, Booz-Allen & Hamilton Inc. Closing date: September 24, 1979.'

ART GALLERY

EXHIBITION

Declining in comfort

MR. WILLIAM WHITELAW, reviewing the Government's first months of office on Sunday, conceded that its main failure had been in trying to impress on ordinary people the gravity of the crisis as the Government sees it. This naturally worries Ministers, since they are relying on some common understanding of our situation to persuade the public in general to appreciate the necessity for painful cuts in welfare spending, and to persuade trade unionists of the necessity for rational wage settlements.

important influence which is making unpleasant realities: rising oil output. This is responsible for well over half the growth of the last year, and has made part at least of our decline in competitiveness financially painless.

Unresponsive

The fact is that a combination of good luck and bad management for the present Government has on occasion helped to shield consumers from reality) has helped to make both public opinion and the economy even more than usually unresponsive to new influences. Many years ago Dr. Beeching compared the economy to an ocean liner, which would plough on for many miles before showing any answer to a change in the helm. This seems to be especially true of an economy which is, as it were, self-refuelling. It must also be said that monetary influences alone have long been known to have a slow and unpredictable effect: it is only when monetary and fiscal policy work together that a change of direction can be achieved in a reasonable time.

Fools' paradise

In short, the economy is reasonably strong, and consumers are still enjoying the last days of the fools' paradise which follows any excessive wage round—the interval before prices catch up. This process was until recent weeks prolonged by the operations of the Price Commission, which slowed down the price response to costs. The danger signs which have so depressed the leaders of industry, and of the trade unions are more remote from the experience of the man in the street. The huge deterioration in the current account is an abstraction. The large rise in sterling increases the general feeling of wellbeing, except among those trying to book new orders against foreign competition. Only the high level of interest rates is felt by ordinary citizens—and even here they have been shielded by the delay in adjusting the most important rate for consumers, the mortgage rate.

While figures for the longer run make it clear how grave is the problem of decline—the recent "boom" figures for manufacturing output are still more than 2 per cent lower than six years ago—the immediate outlook does not seem to contain the threat of the kind of belt-tightening crisis which the public knows from experience. The expected rise in oil output will make it possible to right the balance of payments without any painful cuts in consumption, as credit demand moderates (which seems likely) for there is no sign in the figures of any marked change in spending and saving behaviour.

Competitiveness

The threatened crisis is one of competitiveness rather than as in the past, of cuts in living standards through a further fiscal and monetary squeeze. The challenge to the Government remains to make this cushioned crisis apparent—and to resist, when it does become apparent, the calls for protectionist answers to it.

The war over phosphate

NORTH West Africa has been a region of conflict and tension ever since Spain suddenly abandoned its colony of Western Sahara four years ago. In the autumn of 1975, as General Franco lay dying, the Spanish government secretly agreed that the territory should be divided up between two of the three surrounding states. Morocco and Mauritania. There was no serious attempt to renegotiate the division of the people of the territory for independence. Morocco's strong rival in the region, Algeria, supported the Polisario front, a guerrilla movement fighting for the independence of the Western Sahara, and soon both Morocco and Mauritania were embroiled in a major guerrilla war.

gas producer, Morocco is the world's biggest phosphate exporter, and the desire for this commodity was one of the reasons Morocco moved into the territory: its own portion of Western Sahara contains large reserves of high quality phosphate, though virtually none has been exported since 1975 because of the war.

Economy in ruins

The conflict over Western Sahara has now reached a climax. Mauritania, its former political stability destroyed and its economy in ruins, last week signed a treaty with Polisario, giving up its portion of Western Sahara, the Tris-el-Gharbia, the King Hassan of Morocco has reacted by withdrawing the troops he had stationed inside Mauritania into the Tris-el-Gharbia itself and effectively added it to the portion of the territory his country already held.

Neither Morocco nor Algeria has shown any willingness to compromise over Western Sahara. Algeria has staked a great deal of its prestige in the developing world on its support for Polisario and has the backing of an increasing number of African countries, while the seven-month-old leadership of Col. Benjedid Chadli cannot be seen to back down at this stage. Morocco is suffering both high inflation and economic austerity as a result of the desert war, but surprisingly, all Moroccan political parties, both on Left and Right, support the King in his assertion of what is seen as Morocco's historic rights in the region.

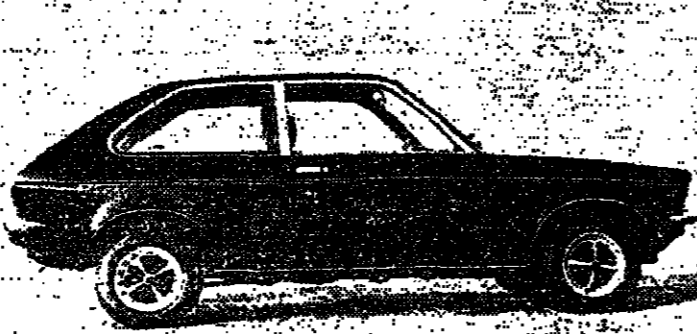
Compromise

The U.S. is in a difficult position: it is increasingly dependent on Algerian supplies of oil and gas, and has provided Algeria with large amounts of credit to enable it to develop its energy resources. On the other hand it has traditionally supported King Hassan who came to the help of Washington by sending troops to Zaïre last year and has shown himself in the past a useful mediator between the Arabs and Israel. The U.S. has lately, after some reticence, indicated willingness to increase its arms supplies to Morocco.

Escalating clashes

The Moroccan action is a major provocation to Algeria, while in the last few days there have been escalating clashes between guerrillas and Moroccan troops. Now Moroccan ministers are making warlike noises towards Algeria. It is the furious rivalry between these two major raw material producers, which have been fighting a war by proxy over the Western Sahara for several years, that makes the issue important to the West. While Algeria is a big oil and

One car by several other names... on the left Opel's Kadett, on the right Vauxhall's Chevette



This is the first of a series on the concept of the world car. Further articles will appear on Management Page, starting on Friday, and will look at the strategies of the world's two major car manufacturers and how the top components companies aim to meet the challenge.

The car majors embark on a revolutionary change of course

home began to sink in, we had a more good reason to look seriously at reducing product duplication on a truly worldwide basis, at the international sourcing of components as a way of reducing capital demands, and for a more fluid exchange of technology between North America and overseas.

The car assembly groups are not just strapped for cash. They are also short of engineers, designers and other skilled people. So in the medium-term, at least, they are asking their component suppliers to share the load.

By KENNETH GOODING, Motor Industry Correspondent

stage. But this time there will be many more projects and hence many more risks for suppliers," is the way one commentator expressed it.

Both Ford and GM proclaim the coming of the "world car" as an opportunity for those countries without any automotive-connected industries of their own to get into the business. At the same time, the two companies complain about the growing tendency for countries to "protect" their fledgling automotive industries by means of tariff and other barriers, such as a requirement that each vehicle should have a certain level of locally-made components in it.

Alex Cunningham, the GM executive in charge of overseas operations, says: "We expect to see more requirement for local content than we have had before. We recognise the balance of payments issue. But we feel strongly that if developing countries want to take advantage of economy of scale, then they must establish their local content regulations with the idea in mind to allow certain import-export credits. For this reason we would like governments to give us the responsibility of having our operation provide a balance of payments surplus."

Yet, as Donald Petersen, Ford's executive vice-president for international operations, made clear: "The interplay of pressures we foresee for the 1980s requires that host countries leave no doubts as to the rules which permit auto manufacturers to operate any changes must be made with sufficient lead-time to make them feasible and fair."

This message, and the one that suggests that countries which do not jump on the bandwagon while the going is good might be left off for good and all, is being put over by the manufacturers and they must be careful not to appear to be bullying governments into submission.

But the fact is that 79 countries, including 21 of the 24 industrial nations in the OECD, have automotive component manufacturing or assembly on their soil. And the central policy issue facing governments in traditional auto-producing countries is the effect on their domestic employment of changes in the structure of the world's auto industry as it seeks to answer demand in the 1980s. Mr. Petersen says: "To take one example close to home, some 5 per cent of Britain's working population could be affected by the changes over 2.5m people. There is a wide body of opinion both within and outside the automotive industry which subscribes to the theory that only those companies producing at least 2m units a year will be cost-effective in the world market battle of the 1980s."

Only eight companies fell into that category last year: General Motors and Ford of the U.S., Toyota and Nissan (the Datsun group) in Japan and in Europe, Fiat, PSA Peugeot-Citroen, Renault and Volkswagen.

Mr. Petersen maintained: "It certainly is not suggesting that Rolls-Royce, Mercedes-Benz and other lower volume, high-quality producers should start to worry. But it is obvious that many smaller specialised companies are going to survive only in marginal or protected domestic markets. Few of them can afford the astronomical costs of developing new models without associating with larger companies or forming directly with government for grants, subsidies or even partnerships."

Government involvement with the automotive assembly groups is nothing new in Western Europe. Renault has been wholly owned by the French Government since 1945; FIAT is 95 per cent UK Government controlled and the West German authorities have a 40 per cent stake in Volkswagen. (GM sums this situation up by saying that 36 per cent of all motor vehicle sales in Western Europe are made by companies which are at least partly owned by government.)

So far, however, the component suppliers have not had such protection. And it is the component industry which seems likely to suffer the most casualties as the automotive sector adjusts to "World Car" production.

MEN AND MATTERS

Sniping at the bounty hunters

The admittedly long-overdue fare increases granted to London taxi drivers have not ended what many regard as the pernicious system of paying drivers commissions. There is nothing secret about commissions. Every taxi trade magazine carries advertisements by night clubs showing what they are prepared to pay drivers for ferrying customers—preferably single men—in their direction. The current issue of Taxi, for instance, carries a half-page advertisement for a club boasting hostesses and striptease—and, more important from the reader's point of view, £12 commission a head for men and £5 for (less exploitable) couples.

Few club owners have put up any resistance to a system which began with half-crowns pressed into expectant palms. One exception is Jimmy O'Brien, 59-year-old proprietor of the long-established Eve Club in Regent Street. "Some drivers say we've burned down," he tells me forlornly. "Others say the place is not what it was or there's been a fire in the kitchen."

"One musician I had hired was turned out in Hyde Park in the rain for insisting he wanted to come here. . . It's affected our business enormously—if you lose 30 per cent of your custom, obviously it makes things rock a bit."

The story of the Eve Club's demise by fire has been told to other, more independent passengers such as David Jones, of the British Tourist Authority, who deplores the whole practice. But it is regarded in other quarters as no worse than advertising, and just as inevitable. None of the complaints arouses much more than impatience, however, in the breast of Harry Feigen, general secretary of the Licensed Taxi Drivers Association. The rise in sterling had given the night clubs "a good hiding" along with everyone else dependent

Academic damper

General Zia-ul-Haq's avowed desire to promote "real democracy" in Pakistan might have prospered much better if he had kept quiet about the German Reichstag. As it is, the main political parties have come out against his idea of introducing proportional representation in the November general elections.

It seems that Zia's open letter to politicians three weeks ago caused general bafflement—not so much because of his criticism of the British system which Pakistan now uses, but through his obscure historical references to what happened in Germany in 1872. The country was left with the impression that it was not being offered anything especially new or progressive. There were also fears that voting complexities might delay the elections.

Together

Frank Chapple, leader of the nation's 400,000 electricians and plumbers has been receiving a great deal of sniping lately for an innovation by one section of his membership—the acceptance of pay beds through BUPA. He will be on an equally delicate ground next month if he decides to go along to a private seminar of the Working Together Campaign (WTC).

Chapple is on the council of management of WTC, a somewhat obscure body which receives funds from big business, including Marks and Spencer and Taylor Woodrow—both committed Tory backers. The seminar is to be at St. George's House, Windsor Castle, the topic will be "The Future of Work." One theme will be the need for workers and employers to embrace the realities of the silicon chip revolution. This is not a line which commends itself to most of Chapple's colleagues in the TUC. The Working Together Campaign has its office in Marsham Street, S.W.1, in a flat of which the lease is owned by Lord Kagan, joint deputy chairman of the organisation. Its director is Jack Lee, a former adviser on industrial relations to Shell International. Among Chapple's colleagues on the WTC council are Sir

Frank Taylor, Sir John Reiss and Sir John Boyd, general secretary of the Amalgamated Union of Engineering Workers. Another member is Sir Trevor Lloyd-Hughes, once a public relations adviser to Sir Harold Wilson in Downing Street.

Sir Harold has spoken at WTC gatherings. "I think he is the only Labour speaker we have had," says an official, rather sadly.

on foreign tourism, he told me. The clubs making the complaints were simply "out for free publicity. You might get the occasional rogue cab driver—we're no different from anybody else. But you couldn't make a living out of it," he says. "Most people have already had a club recommended to them by hotel porters. Cab drivers get the occasion where the who's escaped the dragnet."

The real commissions, says Feigen, are going to head porters: "That's why head porters all retire early and have villas in the South of France. You didn't know that, did you?"

Corporation: rare books. It has put up £180,000 to help in the purchase of a venerable business in the Marylebone High Street, London. The trio being backed by the ICFE is spearheaded by Alan Mitchell, a 31-year-old book dealer whose clients include Kissinger. With him is George Wisoz, who has given up his job as a credit analyst with Chase Manhattan in London. The third man is Humphry Winter, a lawyer formerly with the World Bank but now based in Nairobi: he will be non-executive chairman.

They have convinced the ICFE that Sidney Edwards Ltd, the rare books firm, is capable of being much expanded. For some years it has been run by a trust for the family of the founder, with a turnover of £500,000 a year. Mitchell and his colleagues have already moved in, dusting down the volumes and reorganising the indexing. They forecast £1m turnover next year.

The new owners of Sidney Edwards will continue to specialise in travel and geography. But they intend to take a stronger position towards the big auction houses, which they believe have been creaming a lot of the trade which formerly went to the independent dealers in rare books.

It may seem a strange terrain for the ICFE. But nobody can quibble with a business whose assets have been going up in value by 30 per cent a year during most of this decade.

September 3rd 1963 should have been the happiest day in Bob and Helen's life. But it turned into a round-the-clock vigil of 16 years.

They named her Mary. When she was born she weighed 4lbs and 5ozs. Her parents, Bob and Helen, knew something was wrong but didn't quite know what lay ahead.

Mary was physically and mentally handicapped. After the initial shock, Bob and Helen pledged that they would sacrifice everything and devote the rest of their lives in helping Mary to face the world.

So Mary grew up at home. Day in and day out, year after year, the parents took turns to be with her. While Bob was at work, Helen did the housework.

For sixteen long years, without rest, without a single holiday. Until this spring when they were able to leave Mary for two weeks in Dr. Barnardo's temporary relief home.

Bob and Helen were able to take a holiday they richly deserved and receive from extreme stress built-up over sixteen years of constant vigilance. And Mary had a healthy change of environment in a home as attentive as her own.

At Dr. Barnardo's, we now run temporary relief homes that are, in fact, holiday homes for unfortunate children like Mary. These homes also provide parents like Bob and Helen the opportunity to take a vacation without worry. Because trained helpers

provide all the care and alertness that handicapped children need. Our help has no limits, but our money does. Shilled help like Mary needs costs a lot. Every 5 you give goes towards adding those less fortunate than you.

What you send what you can today? For only £2, we can buy a set of pajamas. For £10, we can buy six educational books. For £100, we can feed ten temporarily resident children for eight weeks. And it helps even more if you consent to pay regularly. That way we can claim back tax, so every £1 you give is worth £1.50. Not a penny is wasted, because we know it is your money we are using. And all our helpers feel exactly the same way.

Please send what you can now for our temporary relief homes, day care centres, residential homes and schools. Your caring will reach out all the way to many unfortunate families and children like Bob, Helen and Mary.

At Dr. Barnardo's, and the 7000 children for whom we care, thank you for your help.

We don't reveal true identities so as to spare distressed parents.

Dr. Barnardo's, 20, Tottenham Lane, London, E20 8JL. Tel: 01-858 1214.

Should go far

"How many of those yellow sweets will I get for 10p?" a small girl asked the proprietor of a Hampshire village store, pointing to a glass jar on a shelf.

"Oh, 10 or 12," the proprietor said.

"All right," she replied, "I'll have 12, then."

Book mark

A new category has been added to the wide range of small companies given help by the Industrial and Commercial Finance

Form for Dr. Barnardo's donation, including fields for name, address, and donation amount.

هكذا من الأصل

The era of discriminatory television

Video ready for mass market

DURING THE recent trades union blackout of ITV channels in Britain, a small sector of the population began to discover for the first time the independence offered by their latest consumer luxury: the family videocassette recorder.

London video-cassette distribution company through its subsidiary Magnet Video, a breakthrough agreement has been negotiated with the unions concerning videotape royalties; and Kay Laboratories has completed its film processing activity by opening Europe's largest videocassette copying plant, one of a number now based in London.

Royalties

The union breakthrough has been negotiated by the Independent Television Companies Association (on behalf of the 15 ITV stations). Until now, most broadcast television material has not been available to the videogram market because existing union agreements made no provision for royalty payments.

The BBC is currently involved in similar negotiations, and when these have been satisfactorily settled it is clear that BBC television material, through its company, BBC Enterprises, to become one of the UK's biggest suppliers of home video programmes.

The programmes currently viewed by most video owners have been recorded by them from television broadcasts—generally in breach of copyright (hence the test case against Sony for allegedly encouraging this practice).

With the growing number of incompatible systems, the technical confusion surrounding videograms seems to worsen as each day passes. But videocassette recorders and video disc players (which do not permit user recording) each have their own advantages and the home of the future may well have both.

is going to be a top-selling subject. EMI's first programme, made specifically for videogram distribution (but coincidentally screened by BBC last Christmas), was of the King's College Choir at Cambridge; other UK companies in the video distribution business, such as Audio + Video and VCL, have shown a tendency to specialise in music programmes, presenting top artists such as Shirley Bassey, Duke Ellington and Tina Turner.

Longer playing videogram systems are on their way, such as the eight-hour Philips V2000, and the remarkable Toshiba fixed head machine which uses an endless loop cassette of only 17 seconds duration which, by successively scanning each of 220 parallel tracks of its 12.5 mm width, yields one hour's playing time in 220 passes.

The numbers game is loaded with guesswork and controversy. Those who claim that this industry is something of a South Sea Bubble too hastily forget that it is only about five years since the first videocassette recorders for the home were launched in Britain—then, only by Philips.

Extensive consumer marketing efforts started in the U.S. only two years ago, and in Britain little more than 12 months ago, when Japanese competition arrived in force; previously, activity had concentrated on industrial customers. Nonetheless, the number of all machines in Britain (including industrial models) increased from about 5,000 in 1975 to 136,000 in 1978—a rise comparable with that of television receivers in Britain from nil in 1948 to over 126,000 in 1949.

The present number of home video recorders in Britain is about 90,000 and various projections suggest that this total will

rapidly rise to anything between 150,000 to 250,000 in the next 12 months. The bulk of them are Japanese-made, and their own forecast of total output for 1979 is over 1.8m units, of which 1.3m will be exported.

After much speculation, debate and even a little research no one knows what kinds of programmes the public will eventually prefer. Movies have dominated video-cassette sales so far, but popular feature films are also high on the list.

Subjects of debate concern how many players will the public really buy, what kinds of programmes will it want, and what impact if any will these developments have on broadcast television, the cinema, and, perhaps, conventional publishing.

for adult movies; it is a recogni-

tion that broadcast television and the cinema cannot readily appeal to minority interests, but programmes which can be sold like books over an extended period of years may well justify the investment.

Minority audiences have already demonstrated their appetite in the long-established market for 16 mm films. Only a few years ago, most broadcasters in Britain dismissed the idea that video was of any relevance to them. One of the few believers, Granada Television, has now started to release video cassettes of some of its TV programmes through Granada TV rental shops.

Thames Television is expected to make an announcement of plans in the near future. As a pointer to BBC intentions, the Corporation is about to release videocassette copies of the first six plays in its prestigious Shakespeare series—but initially only to institutional users.

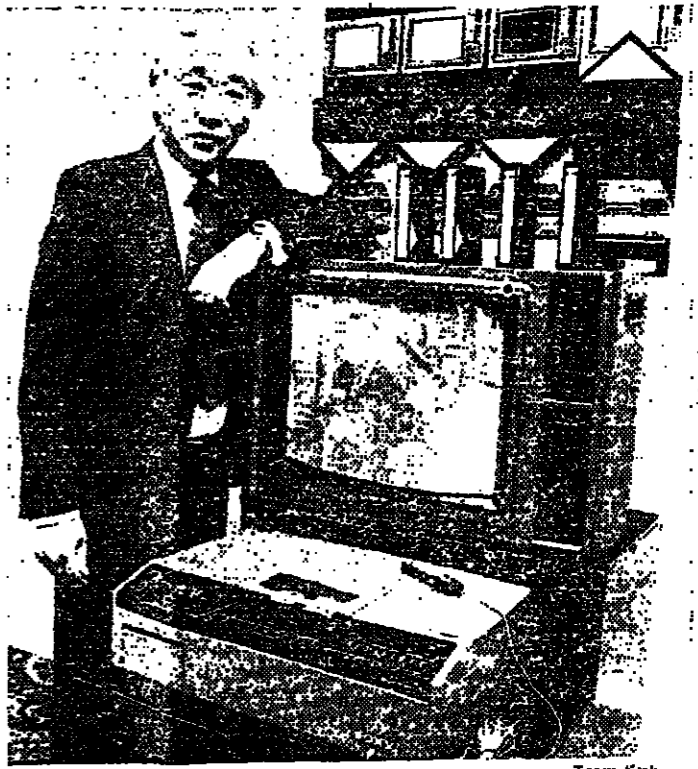
The film industry is also at last taking action to meet the demands of this new market. As well as Universal, 20th Century Fox, EMI and Paramount, others with distribution projects or even newly-formed video divisions include Rank, Columbia, Allied Artists, United Artists, Walt Disney and Avco-Embassy.

Book publishers have long been eyeing the video market, anxious not to be left out but nervous of repeating the unhappy experience of Macmillan with 8 mm film (an educational venture that failed) and Axel Springer with video discs (a project that flopped because the system, pioneered by AEG-Telefunken, had too many shortcomings).

No one is seriously suggesting that broadcast television services will suffer any economic harm; indeed, the market for their programmes is merely extended. But the nature of broadcast television services may well be affected, with non-perishable and repeatable programmes finding richer outlets

in the home video business, leaving TV to tackle news, current affairs and more topical subjects. The cinema industry is currently enjoying a respite from its past recessions, but paradoxically the number of films produced is declining; in Britain the peak of 421 full-length movies released in 1957 had declined to 318 in 1977 and 288 in 1978. This contraction in production reflects the move to bigger and more expensive films, but it is a situation that few other industries could feel comfortable about—reduced output with rising unit costs.

Once it was broadcast television that the cinema saw as a threat, to the extent that it initially tried to ban its products from television. Now that both of these industries are eyeing a new competitor, and the cinema has discovered that television can be a useful customer rather than a rival, co-operation may offer the best guarantee of growth in the future. The product is common to all and only the methods of distribution or exhibition differ.



Sony chairman, Mr. Akio Morita, with the company's Betamax video recorder: a "time shift machine."

New approach

Some videogram producers have expressed the view that the medium demands a totally new kind of programming. EMI, for example, have spent some money on making experimental productions where the visual element dominates as an integrated part of the sound. MCA, the U.S. company which owns Universal Pictures and is producing video discs for the Philips/Magnavision player, is now seeking disc material which has high quality sound and "slick" visuals.

One approach to videogram programming is summed up by the policy of one of the current UK market leaders in distribution—Intervision. Its managing director, Mr. Richard Cooper, says: "We entertain the parts that others cannot reach. This is more than a euphemism for adult movies; it is a recogni-

£100,000 a year salesman

From the Deputy Managing Director, Marketing Improvements

Sir,—How splendid to read from the company report of GEC that one of its salesmen was paid no less than £100,000 in salary and commission in its last financial year.

I admire GEC management for providing the climate in which such sales talent can grow and be handsomely rewarded. The one shadow was the reported mention that the company was changing the incentive scheme under which the salesman was able to earn such a figure.

It happens other salesmen who might have been bucked by this achievement of a colleague will smile wryly recognising the almost inevitable reaction of most companies when such earnings occur. The job of management is to get planned sales results achieved through the sales force and to provide incentives that will motivate the sales force to achieve them.

And the fact that some salesmen end up earning more than their managers is a healthy one. After all it is time that British managers in particular realised that the management job is not a superior one to that of the salesman, just a different one.

The size of commissions

From Mr. P. Friesner

Sir,—Connoisseurs of the symptoms of the English disease will have noted without surprise the tone of the item included in the BBC news (Aug. 10) on the subject of a GEC employee earning twice as much as the chairman, by way of commission.

Instead of pride in achievement, we were treated to a mixture of apology and defensiveness, combined with the promise that steps would be taken to ensure that it won't happen again.

One wonders whether this attitude was generated by the BBC or by GEC. Are they (whoever they are) aware of the size of the commissions earned by employees of GEC's major overseas competitors? Do they realise that commissions are paid for success?

As director responsible for marketing, I look forward with anticipation to the prospect of all members of my department achieving remuneration that is twice my own. My company—and the country—will have benefited considerably in the process.

Distribution of wealth

From Mr. J. Cox

Sir,—The distribution of shares in North Sea oil to every adult citizen of Britain, as proposed by Samuel Brittan (July 28), would lead very rapidly to

Letters to the Editor

a further concentration of wealth of the very sort which Mr. Brittan finds offensive. For over 200 years enthusiasts for the market economy have refused to recognise one fundamental fact: it is the free play of market forces itself which generates unfair inequalities of wealth.

port this proposal, however. The Conservatives support the market economy precisely because it generates lucrative inequalities. Labour supports public ownership only when it augments the power of the state.

Assistant Professor (Department of History), 25, Schreyer Hall, University of Iowa, Iowa City, Iowa 52242.

Catering pay

From Mr. D. Hearn

Sir,—It seems inevitable that every commentary on wage rates in the hotel and catering industry will fall into the trap of comparing average earnings for hotel and catering staff with the national average wage for all workers.

Legal aid in Europe

From the Secretary, Legal Aid The Law Society

Sir,—"Justinian" saw fit (August 6) to imply that the Law Society has been "backsliding" to its commitments to the European venture by being reluctant to grant legal aid for oral representation before the European Court at Luxembourg.

The Law Society is not the authority responsible for the issue or control of criminal legal aid which is a matter for the court concerned. The only function of the Law Society is the payment of costs in magistrates' court cases on the basis of "fair remuneration for work actually and reasonably done." The Bouchereau case was one in which a criminal legal aid order was issued, and as your correspondent pointed out, the ruling of the Lord Chief Justice was only on a matter of principle, and he "left to the legal aid authorities the issue of the precise costs to be covered."

The policy of the legal aid authorities cannot fairly be called "obscurantist." Each case is dealt with on its merits, both as to assessment of costs in the criminal case and grant of a certificate in the civil case. The working of legal aid is under constant review, and due account would be taken of changes in the procedures of the court itself.

and the new rates would immediately become below average.

Nick Garnett (August 8) appears shocked that staff living in at their place of work can have £10 per week deducted from wages to cover room and full board. Your readers may wonder where they can obtain a room alone for £10 per week, much less one which is furnished, heated and lit with three meals available for seven days a week.

There are over 2m people employed in the hotel and catering industry. It is no accident that only a very small proportion of them are members of a trade union. Hotel and catering staff are generally in close and frequent touch with management. They see no advantage in the intervention of a third party.

Your article refers to the unions' lack of strength and consistent failure in industrial battles. The reason for this failure is that the ideology of the unions concerned is out of character with the nature of the vast majority of the people employed in the hotel and catering industry who are an exceptionally happy and contented workforce. I am sure that is how our customers would like them to remain.

Objectives of advertising

From Mr. P. Hague

Sir,—The objectives of advertising are jointly or separately to persuade, to educate, or to inform. Every manufacturer or provider of services seeks to make his product or service appear unique in some way so that "consumers" will not hesitate in demanding it to the exclusion of all others.

Chris Dunkley, in "Illusive images" (August 6), takes a holier-than-thou attitude on the subject. He cites with the use of a number of carefully chosen examples how advertisers can create the illusion in their adverts that they are offering selling propositions which are unique. It is true that some adverts do stretch a point when making claims for their products and yet this has become a necessary evil in a world where the unique product is rare and many are undifferentiated.

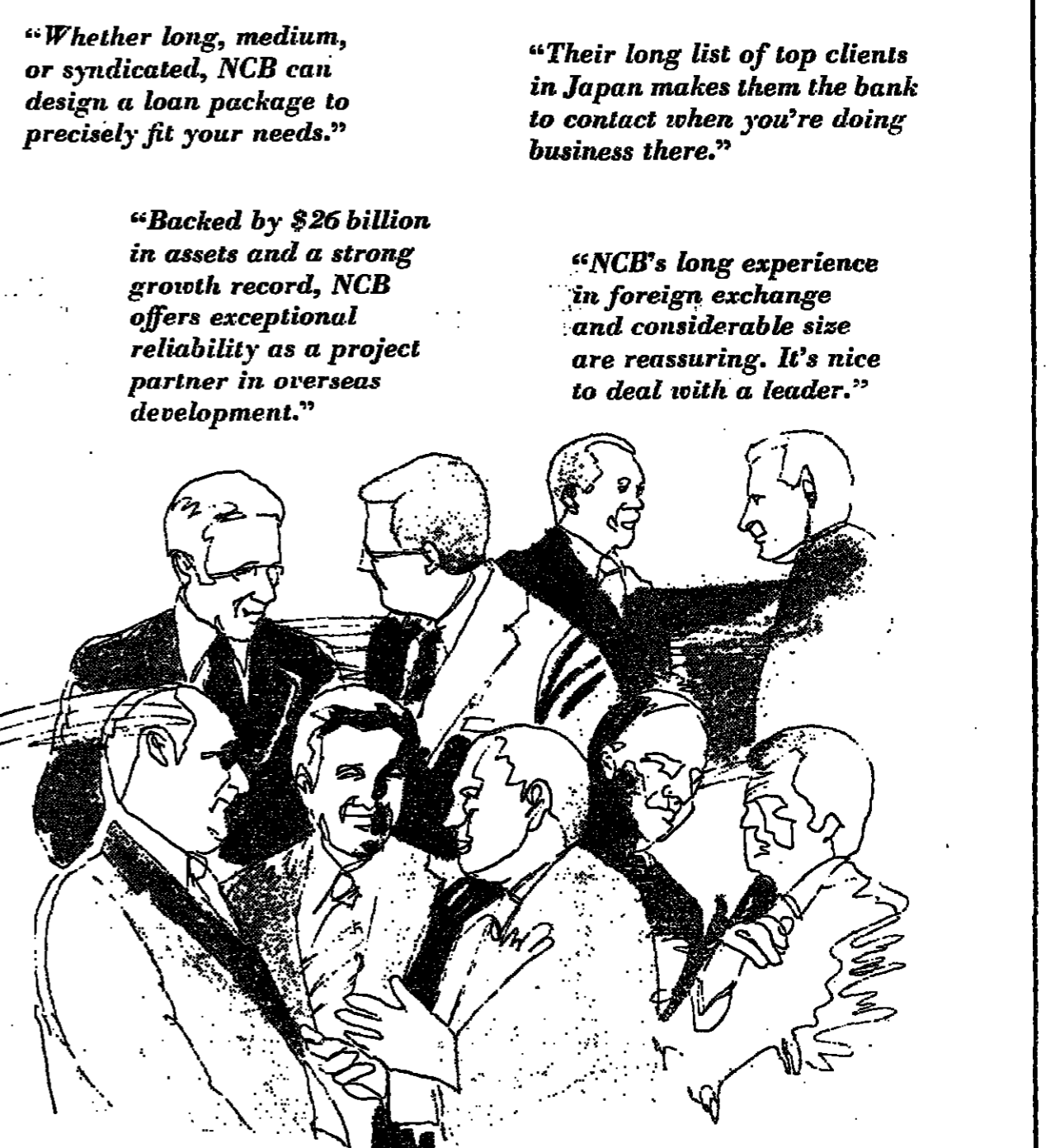
Mr. Dunkley, however, left us with the impression that if adverts are illusive in any way or use common parlance instead of perfect English they are to be mistrusted or derided. Paul Hague, Business and Market Research, The Court, High Lane, Stockport.

GENERAL

U.K. Mr. James Callaghan, Leader of the Labour Party, speaks in London on the split in the Party to executive councils of the Iron and Steel Trades Confederation and National Union of Blastfurnacemen. Association of Cinematograph, Television and Allied Technicians and the Independent Television Companies Association in joint talks with Advisory, Conciliation and Arbitration Service on pay dispute. Statement by National Freight Corporation on energy saving campaign.

Today's Events

The Queen, accompanied by the Duke of Edinburgh, opens Western Isles Island Council headquarters, Stornoway. Mr. Norman Lamont, Parliamentary Under-Secretary of State for Energy, visits Bacton Gas Terminal, Norfolk, and offshore platform Leman Bank Field. Tenth anniversary of first troops into Northern Ireland. Mr. John Stonehouse, former Labour Minister, released on parole from Norwich prison. Overseas: China and Vietnam meet in Peking for tenth session of peace talks. Sir Kenneth Cork, Lord Mayor of London, in Tokyo. COMPANY RESULTS. Final dividends: Gresham Investment Trust, Group Investors, Lestrat International, McKay Securities. Interim dividends: Commercial Union Assurance, Davies and Metcalfe, Morris and Blakey Wall Papers, Smith and Nephew Associated Companies, A. G. Stanley (Holdings); COMPANY MEETINGS. William Leech, Royal Station Hotel, Newcastle, 12. Raal Electronics, Charing Cross Hotel, W. 11.45. Standard Fireworks, Standard House, Half Moon Street, Huddersfield, 12. CITY OF LONDON LUNCHEON MUSIC. St. Lawrence Jewry-next-Guildhall, Gresham Street, E.C.2., organ recital by Margaret Phillips, 1 pm.



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Advertisement for Nippon Credit Bank. Text: "Whether long, medium, or syndicated, NCB can design a loan package to precisely fit your needs." "Backed by \$26 billion in assets and a strong growth record, NCB offers exceptional reliability as a project partner in overseas development." "Their long list of top clients in Japan makes them the bank to contact when you're doing business there." "NCB's long experience in foreign exchange and considerable size are reassuring. It's nice to deal with a leader." Nippon Credit Bank. Formerly Nippon Fudosan Bank. Head Office: 13-10, Kudan-kita 1-chome, Chiyoda-ku, Tokyo 102, Japan Tel: 03-263-1111 Telex: J26921, J23788 NCBTOK. London Branch: Winchester House, 77 London Wall, London EC2N 1BL, U.K. Tel: 01-628 4683/8 Telex: 884968 NCBDFM. Frankfurt Office: Nidensau 61-63, 6000 Frankfurt am Main, F.R. Germany Tel: 0611-72 56 41/2 Telex: 413387 NCBFR. Paris Office: 23 rue de la Paix, 75002, Paris, France Tel: 742-6066 Telex: 212647 F NCBPAR. Other Offices: New York, Los Angeles, Beirut, São Paulo, Hong Kong, Abilates, Zurich, Honolulu, Jakarta, São Paulo.

# UK COMPANY NEWS

## Bernard Sunley reduces bank loans to £5.5m

Bernard Sunley Investment Trust, the property group which is currently the subject of a bid from Eagle Star Holdings, announces a sharp reduction in borrowings for the year ended March 31, 1979.

In an announcement accompanying the preliminary results the group reveals that bank loans and overdrafts have been cut from £45.56m to £13.73m over the 12 months and subsequently there has been a further reduction of £8.2m.

Long-term borrowings were reduced in the year by £7.93m to £20.98m. As a result of these repayments there has been a further significant improvement in the borrowing ratio.

Total net assets at the year end show an increase from £56.55m to £60m—equal to 27sp against 35sp per share.

Net property income in the year shows an increase from £3.67m to £4.98m. Trading profits are lower at £3.15m against £4.31m reflecting a downturn by the contract building side from £4.83m to £3.1m and further losses of £304,000 (£363,000) by the Isola 2000 ski resort interests in France, which have now been sold.

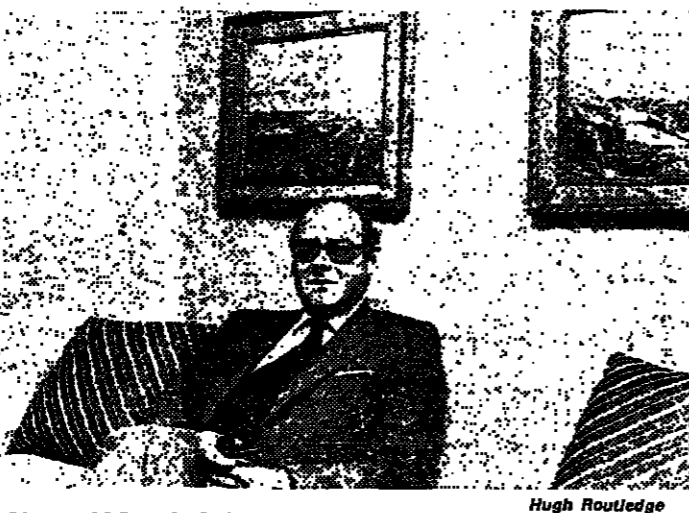
1978-79	1977-78
Rents receivable	5,000
Rents payable	7,276
Not rent	1,288
Expenses	5,977
Net property	1,297
Trading profit	6,880
Contract building	3,152
Isola 2000 loss	4,311
Jamaica loss	3,139
From share deals	594
Sundries	662
Net interest	139
Share of associates	9
Surplus before tax	5,022
Taxation	887
Excess of book values over amounts realised on the sale of properties and investments, which includes the terminal loss of 28m on the sale of Isola	2,642
Net profit	2,255
Dividend	2,146
Net deficit	109
From capital reserve	10,727
Dividends	317
Forward	686
	3,546

In accordance with SSAP 6 the provisions made in previous years amounting to £15.82m against losses on the properties and investments sold in 1978/79, have been transferred to the profit and loss account, being losses now realised. The major part related to Isola 2000.

This is treated as an extraordinary item as is an amount of £3.16m (£1.19m) being the excess of book values over amounts realised on the sale of properties and investments, which includes the terminal loss of 28m on the sale of Isola.

Earnings per 25p share before extraordinary items are stated at 9.01p against 3.10p. The dividend is increased from 4.35p to 5.0p, with a final of 3.35p.

The sale of Isola 2000 should result in an increase of some



Mr. David Jessel, chairman of Bernard Sunley Investment Trust

£0.8m net in the group's revenue surplus in a full year.

The consideration for the sale has not yet been finalised but will be around £2.3m. This has been satisfied by the purchaser assuming £1.8m local French franc borrowings and the balance in cash has been used to reduce the group's foreign currency borrowings.

See Lex

## Vibroplant £0.56m rise over year

FROM A turnover rise of £1.67m, Vibroplant Holdings has increased its profit by £563,000 to £3.17m for the year ended March 31, 1979. This reflects a slowdown of growth in the second half.

And the dividend is lifted from 10.625p to 12.402p net, with a final of 7.95p. Earnings are shown to be 12.96p higher at 33.83p.

1978-79	1977-78
Turnover	11,156,880
Profit before tax	9,425,011
Taxation	3,172,489
Net profit	2,603,442
Dividend	2,023,778
	1,262,632
	382,534

The profit increase was split as to £372,000 in the first half and £191,000 in the second half.

Vibroplant has done well to enlarge its pre-tax profits by 21.6 per cent in a year which included harsh winter weather and the

transport strike. This performance can be explained in part by the increase in volume (turnover is up by 17.6 per cent); oil-related work continued to grow and there was road repair and maintenance work resulting from winter damage. Higher rates also helped earnings to improve. Although much smaller than competitors like Hewden-Stuart, Vibroplant is strong in its field, particularly with its specialised Airpac division, which handles compressors for industry and the oil sector. This specialised service, together with petrochemical works in Teesside and other business in Aberdeen, helps to explain why the group has been doing well, despite the current slump in construction that some analysts see. The 1979 dividend is up by nearly 17 per cent, yielding 8 per cent at 33p, up by 15p yesterday. This is covered 2.7 times. The p/e stands at 6.6. Vibroplant has demonstrated steady growth for the past eight years. Although the construction market can turn for the worse, the group's current performance makes it an organisation worth watching.

### ARBUTHNOT SECURITIES

Arbuthnot Securities has obtained the services of Allen Harvey and Ross Investment Management as investment advisers to its two gilt edged funds: Arbuthnot Government Securities Trust (in Jersey) and the Arbuthnot Gilt and Fixed Interest Fund. Arbuthnot is confident that this expertise will be of considerable benefit to the two trusts.

## Benford Concrete falls to £1.3m in first half

TAXABLE PROFITS of Benford Concrete Machinery fell from £1.61m to £1.3m for the first half of 1979, on turnover of £10.58m, against £10.19m.

In the last full year, the taxable surplus was lower at £3.28m, compared with £3.84m.

The net interim dividend is stepped up from 0.67p to 0.875p. The directors say that, providing the year's trading results continue to follow a similar pattern to that of the first half, they intend to recommend a total of 2.825p (2.028p).

After tax of £670,000 (£835,000), net profit came through at £625,000, against £770,000. Earnings per 10p share are shown down from 3.4723p to 2.8184p.

### comment

Pre-tax margins at Benford Concrete are a useful 12 per cent, despite a 20 per cent fall in profits on static turnover, which shows just how bounteous the last few years have been. Orders from OPEC countries helped treble profits between 1974 and 1977 but the collapse of the Iranian and Nigerian markets, coupled with greater competitiveness and lower orders in other oil-rich States, has meant the running together. Add to this a disastrous winter at home and a soaring pound, and the interim outcome looks creditable. Exports still comprise over 50 per cent of sales but the group is striving to increase its UK market share, while looking for substitute markets abroad. There are hard times ahead but Benford is well-placed to endure them. Deposits total around £2m (compared with a market capitalisation of £10.2m), there is considerable growth potential in the vibrating roller division, and the forecast dividend increase of 30 per cent would boost the yield to 3.3 per cent. The group is being cautious with its earnings forecasts but a pre-

### INDEX TO COMPANY HIGHLIGHTS

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Berwick Timpo	14	4	Private Patients Plan	15	5
Bids and Deals	16	4	Rea Bros.	14	8
Braham Millar	15	1	Scottish Amicable	14	5
Corning	15	3	Scottish Western Inv.	15	3
Daejan Holdings	15	4	Squirrel Horn	14	5
Latham (James)	16	4	Sunley (Bernard)	14	1
Manchester Ship Canal	15	4	Toxide Group	15	1
Medens Trust	14	6	Tricoville	15	4
Mining News	16	6	Vibroplant	14	2

tax figure of £23m would put the share price of 46p on a fully-taxed p/e of 7.8.

## Scot. Amicable gets Revenue approval

The Scottish Amicable Life Assurance Society has now received approval from the Inland Revenue to accept funds transferred from other life companies on personal pension contracts.

Under the 1978 Finance Act, self-employed and other persons holding personal pension contracts were permitted at retirement to use the cash equivalent of their contract to buy an annuity from another life company.

This is known as the "rollover" option. But a life company cannot accept such funds and issue an annuity until it has Revenue approval.

The annuity provided can be paid yearly, half-yearly or quarterly and can be arranged to start at 2 per cent or 5 per cent per annum. It can also be paid to the last survivor of

two or more persons, usually husband and wife. The company will pay the usual commission of a single payment of 14 per cent of the annual amount of pension together with 4 per cent of any contingent widow or dependent pension.

## HP expansion lifts Medens to £640,000

REFLECTING continued growth in the hire purchase division, profits of Medens Trust rose from £463,896 to £577,874 in the year ended June 30, 1979. The dividend is raised from 0.92p to 1.3p, with a final of 0.9p.

Main activities of the group, which is not quoted, are the financing of motor vehicle purchase, and secured loans to private and commercial borrowers, and banking. Turnover in 1978-79 came to £20.6m (£13.9m), and net profits were £339,416 (£227,022). Borrowing costs totalled £1.24m (£0.62m).

The directors look forward to maintaining the present levels of business and profitability.

## Berwick Timpo chief critical of former management style

BY ARNOLD KRANSORFF

THE BATTLE for boardroom control at Berwick Timpo the toy group, reopened yesterday when Mr. John Oakley, the new chairman, launched an attack on the management style of Mr. Torquill Norman, the former chief executive who is fighting to return to the board.

Mr. Oakley claimed that it was Mr. Norman's "management style" which caused his departure from the company. He alleged that "as our sole chief executive under a non-executive chairman, he was concerned to manage only three of the group's companies." He did not concern himself with two difficult companies, "whose problems initially arose largely from his own decisions."

Mr. Oakley said the disagreement with Mr. Norman had been "coming to a head over a period."

In a statement yesterday, Mr. Norman said he had combined the job of chief executive with direct responsibility for three subsidiaries which he had left in good shape. These had required his attention because of management changes.

He had, however, felt "totally responsible" for the group. He said that he had not had the chairman's support in all he wanted to do with the two problem companies.

He said he was waiting for the company to name a day for the extraordinary meeting and would write to shareholders dealing with any comments made on his proposals. Mr. Norman said

he would also write in connection with the bid for the company which, he stressed, was being made for technical reasons.

## Caledonian Trust earns and pays more

Revenue of Caledonian Trust for the year ended June 30, 1979, increased from £1.21m to £1.44m subject to tax of £607,591 against £495,113 previously.

Earnings per 25p share are shown as 2.22p (1.88p) and net asset value, at June 30, was 99.6p (110.6p).

The dividend for the year is stepped up to 2.1p (1.85p) with a final payment of 1.4p. A scrip issue is also proposed on the basis of one-for-two on ordinary and "B" ordinary shares.

And the directors announce an 0.5p net interim (0.487p equivalent) on the increased capital, for the current year. They say that holders of "B" shares will receive the scrip issue equal in the net asset value to the final and interim dividends.

## Squirrel Horn looks for better second half

DESPITE a fall in first-half profits the directors of Squirrel Horn, the Stockport-based sugar confectionery, toffee and chocolate group, expect the full year to produce a result similar to that of 1978, when a record £627,000 was achieved.

After being adversely affected by severe weather and industrial action in the first eight weeks of 1979, group pre-tax profits in the six months to June 30 have reached £317,897, compared with £288,405, on a little-changed turnover of £3.04m (£2.91m).

At the annual meeting in April, Mr. J. B. Hardy, chairman, said that despite the problems early in the year, profits had been better than expected but he felt that the group would do extremely well to match last year's results.

The directors say that they expect second-half profits to show an improvement over the £243,000 for the same period of 1978 and that profit for the full year will be similar to that of 1978.

The first-half profit was struck after depreciation of £51,510 (£49,582). Providing for tax of £165,310 (£193,370), the net balance came out at £152,587 against £134,038.

The interim dividend is effectively raised from 0.625p to 0.75p net—the total for 1978 was equal to 1.5108p.

IN BRIEF  
ANGLO CONTINENTAL INVESTMENT AND FINANCE CO.—Pre-tax profit nine months to March 31, 1979 £2.5m (£2.46m previous year). Tax £527,000 (£1,04m). Ultimate holding company is Geneva Occidentale.

ROWLAND GAUNT (coat and suit manufacturer)—Profit for year to June 30, 1979, £11,732 (£22,126) share on £1.00 (£1.15). Net dividend 1.5p (same).

WHEELER'S RESTAURANTS—Results for year to March 31, 1979, and prospects, reported July 18. Current assets £1.2m (£1.03m). Current liabilities £1.2m (£0.8m). Net liquid funds increased £137,805 (£214,420) u.c. Chairman says many old leases will be letting due and, on their revision, company expects to face about £50,000 increase in rent. Meeting, 17 North Street, Kensington, W., September 4, at 10.30 a.m.

BIRMINGHAM MINT—Results for March 31, 1979 year reported July 18 in preliminary statement with prospects. Fixed assets £1.34m (£1.36m). Net current assets £1.67m (£288,514). Short-term deposits £1.26m (nil). Bank overdraft nil (£30,350). Assets Industrial Group held 17.8 per cent. At issue capital at July 13, and ITC Pension Trust, jointly with ITC Pension Investment, hold 6.25 per cent. Meeting, Birmingham, September 6, noon.

## AGB increase is £870,000

AS FORECAST, a second half increase, from £336,539 to £1.27m, has lifted the taxable surplus of AGB Research, consumer and industrial market research group, to a record £2.44m for the year ended April 30, 1979, against £1.37m previously.

At halfway the directors said it was likely that second-half profits would exceed those of the first, and they looked forward to a substantial increase on the full year's figures.

Turnover for the year expanded from £11.04m to £20.5m. Net profit came out at £972,100 compared with £580,700 after tax of £1.27m against £788,500 giving earnings of 9.13p (6.49p) per 10p share.

The dividend is effectively raised to 4.4p (2.55p) with a final payment of 3p.

1978-79	1977-78
Turnover	20,487,000
Pre-tax profit	11,035,100
Tax	2,237,480
Net profit	1,872,100
	788,500
	580,700

comment  
AGB's 63 per cent profits rise is in-line with both the company's forecast and market expectations. However, shareholders will have to wait for the annual report for any indication of how much of the increase is attributable to the new publishing acquisitions.

Assuming AGB's market research activities have continued to grow at the first-half rate of roughly 25 per cent, then the publishing contribution could have been in the region of £80,000, which suggests that this side of the business has not matched up to initial expectations of around

£700,000 for the year. This could be due to higher than expected development costs as advertising revenue has been buoyant. Elsewhere, market research activity continues apace and although the strong pound has hit Industrial Market Research, a company with two-thirds of its sales in other European countries. At 174p, the shares are on a hefty p/e of over 35 while the yield is only 3.7 per cent.

For the whole of 1978, profits were down from £501,000 to £451,000 after expenses, tax and transfer to inner reserves.

The net interim dividend is held at 0.725p per 25p share—last year's final was 0.3775p. Dividends have been raised by holders of 971,965 shares.

## Rea Bros. higher halfway

PROFITS of Rea Brothers, merchant banker, were higher in the first half of 1979 than those for the same period last year.

For the whole of 1978, profits were down from £501,000 to £451,000 after expenses, tax and transfer to inner reserves.

The net interim dividend is held at 0.725p per 25p share—last year's final was 0.3775p. Dividends have been raised by holders of 971,965 shares.

## Receiver for Samuel Moore

A RECEIVER has been appointed for Samuel Moore Foods, the Wiltshire jam manufacturer. The privately-owned company owes about £1m to creditors, of which the largest is National Westminster Bank.

### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. year	Total last year
AGB Research	3	Oct. 23	1.73*	4.4
Benford Concrete Int.	0.88	Oct. 1	0.87*	—
Manchester Canal Int.	7.51	Oct. 8	6.5	17.38
Caledonian Trst. Int.	1.4	Oct. 10	1.25	2.1
Caledonian Trst. Int.	0.93	Feb. 11	0.47*	—
Impala Plat.	24	—	—	34
Medens Trust	0.9	Oct. 16	—	1.3
Olives Paper Mill Int.	0.73	Oct. 1	0.6*	1.34*
Press Tools	1.33	Oct. 10	1.05	2.25
Rea Brothers Int.	0.73	Oct. 10	0.73	1.45
Rowland Gaunt	1.5	Aug. 16	1.5	1.5
Squirrel Horn Int.	1.5	Oct. 5	0.63*	1.14*
Vibroplant	7.95	Oct. 3	6.67	12.4
Bernard Sunley	3.35	Oct. 2	2.69	5.0
			4.35	4.35

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Total of 2.825p forecast. § For 1979/80. ¶ Plus 0.487p in respect of tax changes.

## CASTINGS LIMITED

### MALLEABLE IRONFOUNDERS

	YEARS ENDED 31st MARCH	1979	1978	1977
Profit before Taxation	£	1,068,802	782,284	556,336
Taxation	£	555,794	406,715	292,284
Retained in Business	£	372,530	263,500	162,942
Issued Share Capital	£	676,211	676,211	676,211
	Pence			
	per Share	2.250	1.785	1.808

EXTRACTS FROM CHAIRMAN'S STATEMENT—  
This result has been obtained by increased production on all plants during the year and is despite the difficulties experienced in the last three months.

CAPITAL EXPENDITURE  
The No. 5 Foundry is nearing completion—at a cost of approximately £1.5 million. It is also re-equipped our laboratory with the latest instruments. The new Pattern Shop will be completed by July.

DIRECT EXPORTS  
I am pleased to say we increased our tonnage this year—continue to explore additional overseas markets and to further expand with existing customers.

FUTURE PROSPECTS  
Outlook somewhat uncertain. Orders at present are being maintained by a wide spread of customers, many of whom are heavily involved in export.

Copies of the Report and Accounts for the year ended 31st March, 1979, may be obtained upon application to: The Secretary, Castings Ltd., Lichenfield Road, Brownhills, West Midlands, WS8 6JZ.

This announcement appears as a matter of record only

## GREATER LONDON COUNCIL

### £25,000,000 MEDIUM TERM LOAN

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The Bank of Adelaide	The Hanil Bank Limited
Bayerische Vereinsbank	Hill Samuel & Co. Limited
Charterhouse Japhet Limited	Iran Overseas Investment Bank Limited
Commerzbank Aktiengesellschaft	London & Continental Bankers Limited
Continental Illinois National Bank and Trust Company of Chicago	The Mitsui Bank, Limited
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August 1979

# Braham Millar

The 70th Annual General Meeting of the Company will be held at the Savoy Hotel, Strand, London on Wednesday, 5 September 1979 at noon. The following is a summary of the Chairman's Review:—

TRADING: After record results in the previous year, turnover and profits were hit by the collapse of various export markets in the Middle East and elsewhere.

PROSPECTS: The export outlook is now somewhat brighter and the home market continues to pick up slowly. Profit margins are likely to remain keen but, with new policies maturing, progress is expected as this year goes on.

	1979	1978
Turnover	7,843	8,021
Profit before taxation	482	1,081
Profit after taxation	378	905
Earnings per 10p share	3.0p	7.2p
Dividends per 10p share	1.688p	1.465p
Net tangible assets per share	52p	51p

Copies of the full Report and Accounts are obtainable from the Secretary, Straysfield Works, Clay Hill, Enfield, Middx EN2 8JQ.

**Braham Millar Group Limited**  
Capital goods for industry

مكتبة من الأصول

# Braham Millar moves to replace lost business

THE LOSS of three of Braham Millar Group's major export markets, in Iran, Iraq and Nigeria, cannot be made good quickly and although there are hopeful signs they are never likely to return to former levels, states Mr. R. E. Ogden, the chairman.

The group has numerous other export areas, but volume in most of these is not comparable and new markets are slow to develop. With increasingly fierce competition at home and abroad and the loss of export turnover "we shall no doubt have to phase out some of the hitherto profitable lines," declares Mr. Ogden. Short term margins are likely to remain keen, so that trading results cannot be expected to show quick improvement, he warns.

The chairman sees the way to future prosperity primarily in two directions—higher productivity and an extension of the product range where the emphasis will be on more specialised lines where the best margins are available.

These include turnkey operations in the sand and gravel and quarry plant areas, high grade castings from the new foundry and chip spreaders. Mainly reflecting the setback in the export field group profits before tax fell from £1.0m to £0.45m in the year ended March 31, 1979.

The reasons for the setback were the revolution in Iran and political problems in Iraq and Nigeria coupled with fierce competition from countries with large resources of cheap labour and low overheads.

The chairman explains that in Iran the troubles frustrated contracts nearing completion worth nearly £500,000, but recently parts of these contracts have been re-instated and completed.

Iraq had been a good market, especially for Roadrazers and concrete mixers, and large orders were about to be concluded when an embargo was imposed, and trade dwindled to spare-parts only. However, here again the prospects for new orders are encouraging, says Mr. Ogden.

Nigeria's shortage of finance caused the curtailment of orders there. The chairman reports that the home market continues to recover slowly despite the stagnation in house building and road construction.

Referring to the acquisition of Naibsa the chairman says that reorganisation was necessary but the volume of orders in hand for completion by September 30 indicates that it will make a modest contribution to group profits to that date. The balance sheet shows stock and work in progress up by 18

per cent in £3.16m, which reflects the completed work for Iran, and is behind an increase from £183,000 to £269,000 in overdrafts. These however, will be virtually extinguished by the sales of premises in Epsford.

Meeting, Savoy Hotel, W. September 5 at noon.

# Corning recovers to £3.9m

TAXABLE profits of Corning, glass manufacturer, recovered in 1978 and finished the year at a record £3.9m compared with a depressed £3.2m for the previous 53 weeks. Sales, excluding VAT, rose from £52.62m to £58.94m.

Profits had risen from £1.48m to £2.63m in the 1975-76 year. After tax of £2.15m (£416,000) the balance came out at £1.75m against a £83,000 loss. Ultimate holding company is Corning Glass Works of the U.S.

# Manchester Canal rises to £1.97m at midway

DESPITE A fall in tonnage passing through the port, group pre-tax profit of the Manchester Ship Canal Company increased from £1.72m to £1.97m in the six months ended June 30, 1979. This compares with the £1.99m reported for the whole of 1978, the bulk of which accrued in the first half.

Mr. D. K. Redford, chairman, explains that in the first five weeks the group had problems associated with the transport dispute. Since then a reasonable recovery was made and operating profit rose by 6 per cent to £1.72m.

While there have been marked increases in wage and fuel costs, the more stable conditions in the Eastham Approach channel have resulted in much reduced dredging expenditure, he reports.

Earnings per £1 share are shown to be up from 20.2p to 25.4p and the interim dividend is raised from 6.5p to 7.5p net. A supplementary dividend of 0.487p is also declared as an adjustment to the 1978 final following tax changes. The total paid for 1978 was 17.38p.

First half 1978  
1979  
1978  
1979

Operating revenue	13,124	13,098
Operating profit	1,712	1,629
Loan and invest. inc.	55	29
Interest charges	(257)	(24)
Pre-tax profit	1,510	1,434
Taxation	(102)	(84)
Net profit	1,408	1,350
Loan redemption	(92)	(22)
Dividends	(44)	(89)
Retained	468	408

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividend. Official indications are not available as to whether dividends are intended. All dates and sub-divisions shown below are based mainly on last year's timetable.

TODAY  
Interim—Commercial Union Assurance, Doves and Metcalf, Morris and Baker, and Phoenix Land, Smith and Nephew, A. G. Stanley, Fisons—Abercrom, Gresham Investment Trust, Group Investors, Letraset International, McKay Securities.

FUTURE DATES  
Interim—Alhambra Trust, Aug 24  
Alford & Co., Aug 17  
Bridgewater Estates, Aug 17  
Clay (Richard), Aug 22  
Clifford (Charles) Industries, Aug 16  
Crest, Aug 21  
Dulay Bitumastic, Aug 21  
Faulstich Construction, Aug 18  
Navic Securities, Aug 18  
Scottish Eastern Invest. Tr., Sept 3  
Steeley, Sept 20  
Wear Group, Sept 5  
Finlays, Aug 24  
Second Alliance Trust, Aug 24  
Victor Products (Wallend), Aug 24  
Worthington (A. J.), Aug 25

Meeting, Connaught Rooms, WC, September 5 at noon.

## Record growth in PPP membership

Record growth in membership over the first half of 1979 is reported by Private Patients Plan, the second largest medical insurance agency in the UK. The number of subscribers advanced over the period by 11 per cent to 244,773 by the end of June.

Since on average about two persons are covered under one health insurance contract, this means that about 500,000 persons are covered by medical insurance with PPP.

The company in its half-yearly report claims a substantial advance in its share of the medical insurance market. It is now writing 48 per cent of all new business in the individual market and overall has increased its share of new business from 29 per cent at the beginning of 1979 to 35 per cent at mid-year.

Although the main growth in medical insurance still arises from company schemes, the individual market has become active again. Mr. John Gelling, deputy managing director of PPP, said that more people were now becoming aware of the private health care alternative to the NHS and to the reasonable level of medical insurance costs.

## Best-ever £0.35m for Press Tools

The company's scheme for the individual and his family—Family Masterplan—has led the market since it was recently introduced.

IN LINE with midway expectations, Press Tools turned in record results for the year to April 30, 1979. Taxable profits expanded from £256,127 to £345,847, on turnover of £2.4m, against £2.21m.

The directors of the specialist toolmaker and automatic and castan operator say the company has made a reasonable start to the current year and they hope this will continue. At the interim stage, the surplus was ahead to £170,000 (£124,000), and the directors expected record full-year turnover and profits. Tax for the period took £171,527, against £129,612, giving earnings per 10p share of 8.7p (6.03p). The net total dividend is lifted from 1.2105p to 2.25p, with a final of 1.525p.

Extract from the Chairman's Statement  
"Current trading results some 20% better than last year... we are on course for an all time record profit"  
A. C. V. TELLING, Chairman.

Results for the 12 months to 28th February

1979	1978	
Turnover	75,196	62,333
Profit before tax	2,620	2,022
Profit after tax	2,574	1,888
Earnings per 10p share	26.2p	19.0p
Dividends	17.1p	17.1p

**HAT GROUP** LIMITED  
FOR CONSTRUCTION AND MAINTENANCE SERVICES  
Copies of the annual report may be obtained from The Secretary, HAT Group Limited, Barley Wood, Wotton, Avon BS18 7SA.

**REXMOPE** LIMITED  
31st March 1979 1978  
Sales (£'000's) 38,247 31,336  
Pre-tax profits (£'000's) 1,481 933  
Net earnings per share 17.28p 9.95p  
Gross dividends 28.05p 25.75p  
A scrip issue of one new share for every ten held is proposed. I am confident the overall recovery will continue. The first quarter of the new trading year indicates increased sales and profits compared with the same period last year.  
Export sales advanced 36% during 1978/79.  
A. ROSENBLATT, CHAIRMAN  
Designers, Manufacturers and Distributors of Fabrics for Furniture, Manufacturers, Furnishing Stores and The Household Textile Industry.

# Tioxide recovery continues

DESPITE strikes and the strong pound, taxable profits of Tioxide Group continued their recovery to reach £5.6m for the first half of 1979. This compared with £4.91m for the whole of last year.

The directors say progress has been restricted by external strikes. The lorry drivers' dispute followed by a prolonged dockers' strike at Immingham resulted in a small loss on the UK operations and the continued strike at the sulphuric acid supplier's works affected Canadian profits.

The strength of sterling nullified much of the benefit of improving export prices and depressed the value of overseas earnings.

Demand continues to be firm. But they say the full effects of the recent oil price increases have still to work through into UK and overseas costs. Future selling prices will have to reflect this if the essential

improvement in margins is to be achieved, they add. First-half taxable profits, which were £2.58m in 1978, include share of associate companies' losses cut from £1.1m to £240,000.

Half-yearly turnover of the group, which is owned jointly by ICI and Lead Industries Group, rose from £73.29m to £85.06m. Tax took £3.1m (£1.28m), and minorities £0.21m (£0.33m).

Principal activity of the group is the production and sale of titanium oxide and other titanium compounds. RECKITT AND COLMAN  
Reckitt and Colman has completed the purchase of the capital of Warwick Pump and Engineering.

## Scottish Western up so far

Pre-tax revenue of Scottish Western Investment Co. rose from £1.14m to £1.28m in the first half of 1979. In the last full year, the taxable surplus reached £2.48m, against £1.94m.

Tax for the half-year took £531,451 (£477,274). Estimated earnings per 25p for 1979 are shown as 1.8p (1.8p). Net asset value is given as 78.4p, compared with 84.4p at December 31, 1978. As already known, the interim dividend is effectively raised from 0.466p to 0.8p—last year's total was equivalent to 1.7p.

## Confidence at Daejan

The directors of Daejan Holdings are confident in the company's future and Mr. Leonard Tobin, chairman, looks forward to satisfactory results in the current year.

As reported on July 12, after an exceptional debit for the year of £1.25m, pre-tax profits for the year ended March 31, 1979 rose from £2.47m to £3.33m. Total income increased to £10.37m (£8.41m). The dividend is 3.25p (2.9975p).

Both the rental and property sales sides of the business contributed to results. Mr. Tobin tells shareholders in his annual review. Half the group's portfolio is in commercial properties, "and these continue to provide steady, trouble-free growth," he states. A statement of source and application of funds shows a £5.53m reduction in short-term borrowings at March 31, against a £2.72m increase last time.

# "Racal achieve record profits for 24th consecutive year"

Racal has achieved record profits for the 24th consecutive year. The Group net profit before taxation for the year ended 31st March, 1979 amounted to £61,623,000 (previous year £49,832,000) an increase of 23.7%. Taxation is estimated to be £23,131,000. Turnover during the year was £226,689,000 (previous year £183,338,000) an increase of 23.6%.

Our Business  
The largest sector of our business has always been, and still is, Radio Communications which represents 44% of our total sales. For the first time this activity achieved sales of £100,000,000 consisting of some £70,000,000 in the tactical role and £30,000,000 in the strategic. I anticipate further expansion in this area in the current year, particularly in sales of strategic communications and electronic warfare systems.



Radio communications, 44% of sales

The Racal Data Communications Group of companies, accounting for 32% of Group turnover, had an excellent year with sales of some £70,000,000. A year ago I forecast considerable growth for this business, and I am delighted to report that my expectations have been achieved so successfully. Order intake in this current financial year indicates that this exciting trend is continuing.

The following principal activities account for the remaining 24% of Group sales: Acoustics, Antennas, Automatic Test and Diagnostic Equipment, Computer-Aided Design, Communications Security, Health and Safety, Instrumentation, Magnetic Recording Media, Microwave Components, Radar, Recorders, Space and Perimeter Protection.

I am pleased to report that good progress is being made in the United States through our programme of acquisitions and the formation of Racal companies. Four years ago our sales there were less than £2.5 million — in the year ended March 1979 these exceeded £55 million.



Ernest T Harrison OBE FCA Comp IEE Chairman and Managing Director Racal Electronics Limited.

The most recent example of the success of our acquisitions in the U.S. is Racal-Vadic Inc. in California. Just one year ago, when we acquired this company, its turnover was £6 million. During the first year with Racal, sales rose sharply to some £10 million.

A major breakthrough was made when the British Post Office placed a £4.4 million order with Racal-Milgo Limited for large quantities of modems and associated data communications equipment. This is our first substantial order from this organisation and is significant because it is unusual for the Post Office to buy proprietary products of this nature.

We entered the military communications security business four years ago with the formation of Racal-Datacom

which, in that time, has achieved the fastest annual growth rate of any of our companies. Security of the huge volume of data being passed to and from major computer installations has also been recognised by Racal as an area of equal importance and Racal-Milgo, leaders in data communications, has now entered this fast developing field. I look forward confidently to Racal-Datacom and Racal-Milgo establishing strong positions in both speech and data security.

Queen's Award  
In April 1979 we were honoured to receive news of our tenth Queen's Award to Industry in ten years. The 1979 award is to Racal Communications Limited for Technological Achievement as a result of the development of high frequency radio receivers.

Racalex 79  
In October we will be holding our eighth biennial exhibition and technical conference — Racalex 79. I am very pleased to announce that His Royal Highness, the Duke of Kent, has agreed to perform the opening ceremony. It is a great honour for our Company.

Research and Development  
A substantial level of investment in Research and Development has always been regarded as a key factor in Racal's growth.

In addition to the expansion of product development within the operating companies, we have significantly strengthened the Advanced Development Division, which undertakes forward-looking development work for the whole Group. Technological change has always been a feature of the electronics industry, but the extremely rapid developments

currently taking place in microelectronics and digital technologies are a real challenge, and this Division is playing a key role in leading the Group in the exploitation of these techniques in our equipments.

I announced in 1978 the formation of a new Racal microelectronics company. This is now fully established and operational, working closely with the Advanced Development Division in designing the latest microelectronics devices and micro-systems for the operating companies. During the last year, the number of design engineers was increased by about 20% by recruitment and a further 10% by the acquisitions. This has been a considerable achievement against a background of an inadequate supply of trained engineers, to which I referred last year. The numbers being trained for this profession are still clearly far too small. We must, I believe, continue by all the means at our disposal to encourage young people to accept the challenge and excitement of the engineering profession and to utilise their talents in industry, where the nation's wealth is created.

Share Savings Plan  
This Scheme, which was introduced in 1975, enables employees with more than five years service to enter a five year index-linked Save As You Earn Contract and to have the option to use the cash saved to purchase shares in the Company at 10% below the market price at the time the Savings Contract commenced.

The original participants in the Scheme, almost 600 of our employees, became eligible to exercise these options in October 1980. The shares for which they have saved, are available to them at a price of 76p per share (before the current proposed scrip issue).

Appreciation  
Over the last 10 years, Racal pre-tax profits have multiplied 50 times. This outstanding performance was only achieved through the skills and dedication of the Racal team of people — some 9,500 of them around the world. They are people who love to win and who enjoy being successful. They can be justly proud of their record which is unsurpassed.



Data communications, 32% of sales

I am sure that all shareholders would wish me to express to every member of the Racal team our sincere congratulations and thanks for the contribution each has made to ensure Racal's continuing success. Our team, of course, includes not just our staff but also their families without whose loyal support, understanding and encouragement these remarkable achievements would not have been possible.

The Future  
The recent strength of sterling, if continued, will affect this year's earnings, with some impact on Racal's international competitiveness. The major effect however, if the current rates are maintained, will be in the translation of the International companies' profits into sterling. On the credit side there is no doubt that it is helping to contain inflation and that must be to the benefit of the nation. However, I would not wish sterling to appreciate much beyond its present level for this would most certainly create difficulties for our exporters. Nevertheless, I am happy to report that, as far as Racal is concerned, we started the year with a record order book, our people are in great shape and, subject only to circumstances beyond our control, we can look forward to another record year, our 25th in succession.

Ernest T. Harrison

### The Trading Record for the Last Ten Years

	Turnover £	Pre-Tax Profit £	Exports from UK £	EPS after Tax
1970	14,651,000	1,682,000	6,958,000	1.01p
1971	17,168,000	2,220,000	7,580,000	1.53p
1972	21,024,000	3,165,000	9,306,000	2.20p
1973	25,718,000	4,273,000	10,393,000	2.73p
1974	37,378,000	6,247,000	18,280,000	3.40p
1975	53,988,000	9,559,000	28,229,000	7.65p
1976	79,971,000	19,646,000	48,770,000	12.32p
1977	122,258,000	32,714,000	7,410,000	18.89p
1978	183,338,000	49,832,000	95,029,000	25.46p
1979	226,689,000	61,623,000	107,353,000	33.76p

# IMPALA PLATINUM HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

## PRELIMINARY PROFIT STATEMENT AND DECLARATION OF FINAL DIVIDEND

The unaudited consolidated income statement in respect of this Company's ten-month period ended 30 June 1979 (incorporating the earnings of Impala Platinum Limited, this Company's wholly-owned subsidiary, during its financial year ended 30 June 1979) and the consolidated results of Impala Platinum Limited for the previous year are as follows:—

	Impala Platinum Limited Year to 30.6.78	1979
Group profit	120,867	120,867
Less: Taxation and lease consideration (Note 3)	50,340	50,340
Group profit after tax and lease consideration	69,727	69,727
Less: Minority interest in profits (loss) of a subsidiary	20	20
Income attributable to ordinary shareholders	69,707	69,707
Add: Retained surplus brought forward	1,030	1,030
Available for appropriation	70,737	70,737
Deal with as follows:—		
Amounts transferred to reserve for expenditure on mining assets	46,080	46,080
Dividends to shareholders	5,136	5,136
Retained surplus	19,521	19,521
Earnings per share (cents) Note 4	121	121

In the light of the above results the directors have declared a final dividend of 24 cents (South African currency) per share which will absorb R13,836,000. Dividends previously declared in respect of this year have totalled 10 cents per share absorbing R5,765,000. Dividends in respect of the year have thus totalled 34 cents per share absorbing R19,601,000. In respect of the year ended 31 August 1978, the Company, then named Bishopsgate Platinum Limited, declared dividends equivalent to 18.4 cents per present 20 cent share. In respect of the year ended 30 June 1978, dividends declared by Impala Platinum Limited totalled R9,600,000.

### NOTES:

- The increased profit for the year was due to increased volume of sales, to the higher prices obtained for most of the metals sold during the year and to the high level of these prices at the year-end. The producer price of platinum increased from U.S.\$220 per ounce ruling on 1 July 1978 to U.S.\$350 per ounce on 27 April 1979; the producer price of rhodium increased from \$70 to \$120 per ounce during the year; the producer price of palladium increased from \$50 to \$800 per ounce. During the first six months of 1979 there was a marked recovery in nickel prices from around \$1.60 per lb. to \$3.30 per lb.
- The profit for the period has been arrived at after accounting, inter alia, for the following items:—
  - Interest paid on borrowings, less interest received R5,469,000 (1978: R4,580,000).
  - Royalties due to the Bafokeng Tribe and the Government of Bophuthatswana in terms of the cession to Impala Platinum of its mining lease: R9,133,000 (1978: R3,230,000).
  - An amount of R618,000 written off the Rota Tube project (1978: R1,842,000).
- Taxation and lease consideration payable by the Group in respect of the period to 30 June 1979 are estimated to be:—
 

South Africa	R10,352,000
Bophuthatswana	20,404,000
Normal tax	
Non-resident shareholders' tax in respect of dividends paid or payable by Impala Platinum to the holding company	2,125,000
Lease consideration	14,312,000
United Kingdom Corporation tax	3,147,000
	R50,340,000
- The figure of earnings per share shown above for the year ended 30 June 1978 is a theoretical figure given for purposes of comparison. It shows what the position would have been had the Company acquired the entire issued share capital of Impala Platinum with effect from 1 July 1977, instead of 1 July 1978, as was the case.
- Certain capital projects were brought forward and progress on others was more rapid than originally expected. As a result, capital expenditure by Impala Platinum during the year ended 30 June 1979 amounted to R30,600,000 as compared with the figure of R22,000,000 forecast in February 1979.

### MARKET

The latter months of the year ended 30 June 1979 were marked by intense speculative activity which carried the free market price for platinum to an all-time high of \$456 per ounce as against the producer price of \$350 per ounce. Since then, more sober assessments of the supply and demand situation, coupled with expectations of a recession in the U.S.A. towards the end of 1979 or early in 1980, have led to a substantial reduction in the free market price which is now in the \$377 to \$387 range. Demand for platinum, palladium and rhodium remains firm and seems likely to continue so. While the recent sharp reduction in automobile sales in the U.S.A. is a matter of some concern it seems probable that this is only a passing phase as a result of the recent sharp rise in OPEC oil prices and shortages of gasoline in parts of the U.S.A. In any case, the higher metal loadings required in the U.S.A. for the 1980, 1981 and subsequent model year cars, to meet more severe emission standards, should lead to an increased demand from the automobile industry in the U.S.A. and Japan for platinum group metals.

### EXPANSION OF PRODUCTION

Subject to the present plentiful supply of black labour continuing without interruption, production for the current financial year ended 30 June 1980 is expected to be of the order of 870,000 ounces of platinum, together with accompanying metals. Impala Platinum has decided to increase its mine and refinery capacity by a further 100,000 ounces of platinum per annum, giving a notional capacity of 1,000,000/1,050,000 ounces of platinum per annum, together with accompanying metals. This increase in capacity is required to enable the company to meet maximum contract requirements which have already been notified by certain automobile manufacturers for 1981 and subsequent years. As a result of this, coupled with other on-going capital expenditure programmes, capital expenditure during the current financial year is expected to be of the order of R45,000,000 to R55,000,000 depending on the rate of the progress of work that can be achieved and in each of the subsequent two years is unlikely to be less than R35,000,000/R40,000,000. In order to assist in the financing of this, the Group has recently negotiated a three-year loan of R15,000,000 and an eight-year loan of R5,000,000.

On behalf of the Board  
I. T. GREIG, Chairman.  
R. C. BOVELL, Managing Director.

### DECLARATION OF FINAL DIVIDEND

A final dividend of 24 cents, South African currency, per share in respect of the ten-month period ended 30 June 1979, making a total of 34 cents for the period, has been declared payable to members registered in the books of the Company on 31 August 1979. Dividend warrants will be posted from the registered office and London transfer office on or about 11 October 1979. The register of members will be closed from 3-7 September 1979, inclusive. The dividend is payable subject to conditions which can be inspected at the registered office or London transfer office of the Company.

per pro UNION CORPORATION (UK) LIMITED

London Transfer Office  
Granby Registration Services  
Granby House  
95 Southwark Street  
London SE1 0JA  
13th August 1979

London Secretaries  
L. J. Baines  
Princes House  
95 Gresham Street  
London EC2V 7BS

A UNION CORPORATION GROUP COMPANY

# BIDS AND DEALS

## Wellman wins the battle

BY RAY MAUGHAN

Wellman Engineering Corporation is to remain independent. The 70p per share cash offer from Redman Heenan International (worth 58m) closed last Friday, and after a weekend of silence, the bidder revealed that it controlled only 38.17 per cent of the Wellman equity.

The offer will not be extended because Wellman has also won the second, and possibly more difficult, stage of its fight for survival. After a tense and protracted poll count yesterday, Wellman announced that holders of 41.6 per cent of its shares had approved the £5.17m acquisition of the Industrial Heating Business Department of General Electric in Indiana. The poll was normally held for 94.8 per cent of the equity voted against, the U.S. deal.

Since Redman has always bitterly opposed the logic of Wellman's tie-up in the U.S., the offer has now lapsed.

Mr. Anthony Glossop, Redman finance director and company secretary, admitted afterwards that: "I gave up on the chances of the offer in my own mind at 4.30 pm last Friday," but the bidder had held out a reasonable hope that the majority of Wellman's institutional shareholders would turn down the crucial IHBD proposals, thereby giving Redman an opportunity to extend its 70p per share offer for at least another fortnight.

"Three institutions," Mr. Glossop probably swung the issue. "These are thought to be Prudential Assurance, Pearl Assurance and the National Coal Board Pension Fund."

Wellman lost no time in "pushing the button" on the IHBD purchase at a hastily convened board meeting as soon as the result of the poll was known. After that meeting, Mr. Alan Hopkins, chairman, declared himself "delighted with the outcome which is in the interests of the company, shareholders and employees."

He regarded the approval of the U.S. purchase as a vote of confidence in the board.

Over the long term, Wellman shareholders must hope that, after an exhaustive search for a suitable U.S. acquisition, IHBD will provide a platform for the growth in the energy conservation market which Wellman concedes will be difficult to find in its existing activities. IHBD has suffered severe problems with now discontinued product lines but is expected to make £450,000 pre-tax in the 23 weeks to end-March 1980.

More immediately, the Wellman share price has some pressure now that the tenure of Redman's stake is uncertain. Taking its existing holding and the shares owned by its adviser, Hambros Bank, Redman controls almost 30 per cent of the group's equity and would be entitled to seek boardroom representation although there are no existing plans to that end.

### TRICENTRAL

The directors of Tricentral say that the agreements relating to the acquisition of the special royalty from the Thistle loan facility have now become unconditional in all respects and have been completed.

Dealings in the new ordinary shares in Tricentral which were issued in connection with the acquisition of the special royalty are expected to commence today.

### ALLIED CITY

The scheme of arrangement for Allied City Share Trust with Birmingham Industrial Trust will become effective towards the end of this month.

After discussions with the Panel an offer of 30p per share is to be made to shareholders wishing to dispose of their holdings.

The directors of Allied City say that the way is now clear for the acquisition of the engineering companies to be submitted to shareholders for approval.

## BTR takes Bestobell defence to Panel

BY ANDREW FISHER

Bestobell has produced a further powerfully worded document as part of its continuing struggle to ward off BTR's £29m bid, prompting representations to the Takeover Panel by the bidder.

Arguing that "the offer does not represent a fair valuation of Bestobell," chairman Mr. Sandy Marshall again urged shareholders to reject it.

He included the Australian Foreign Investment Review Board, UK Members of Parliament, Bestobell employees and management, and trade union officials among those supporting the company's defence against criticism or worries about the bid.

Citing regional newspaper reports about Bestobell's efforts to remain independent, Mr. Marshall wrote that employees' initial fears were "marred and to some extent justified" by the company's "unsubstantiated" claims on job security and diminution of future benefits.

These early feelings had, he went on, "matured into a strong reinforcement of their commitment to carry the company forward from the good results achieved in the first half of this year."

He said the p/e multiple of the offer, which also carries a share exchange alternative, was too low. "Our shares already offer an excellent dividend yield but, if we achieve higher profits than our 1979 forecast, we would of course consider a further increase in dividends."

Bestobell has already forecast a pre-tax profit rise of not less than 30 per cent this year to over £6.3m and dividends totalling 11p after last year's 9.52p.

BTR's managing director, Mr. Owen Green, said he was "disdainful" of the way the document had been phrased and presented. He added that representations were being made to the Takeover Panel about some of the points in the Bestobell letter.

Mr. John Leek, a director of Hill Samuel, which advised BTR, visited the Panel last night to make the representations. These are believed to cover the mention of the Foreign Investment Review Board (FIRB) in Australia and the references to jobs.

Mr. Green described the Bestobell remarks about job security as "complete misrepresentations," noting that the

BTR workforce had risen from 6,600 in 1970 to nearly 16,000 at present.

He said that the FIRB had not made any statements to BTR itself. On the same issue, Mr. Marshall said the FIRB had told Bestobell officials in Australia that it was concerned about the implications of the proposed takeover and wished to look closely at it.

Amid the bid controversy, Hill Samuel announced that just over 26 per cent of the Bestobell shares were now in the BTR camp through direct purchases and acceptances. The offer closes on Friday.

Shares of Bestobell were unchanged yesterday at 220p, the value of the cash offer. Those of BTR gained 3p to 324p, putting a value of £33p on the share exchange alternative of 11 BTR shares for 15 of Bestobell's.

### SGB GROUP

Contractors' Services Group, the mechanical plant division of SGB Group, has acquired the assets and business of G. R. Wright and Co. from G. R. Wright (London) for £275,000 cash.

Wright specialises in heavy earthmoving operations particularly those associated with open-cast mining.

### NEB BACKING

The National Enterprise Board has subscribed £18,000 for 26 per cent of the ordinary shares and £200,000 for convertible preference shares in ASR Servotron which produces high technology DC permanent magnet motors.

### SHARE STAKES

File Forge—Industrial and Commercial Finance Corporation holds 162,500 ordinary (6.065 per cent).

Lament Holdings—H. T. O'Neill, director, now holds 120,000 shares.

Cawoods Holdings—E. W. Towler, director, has sold 25,000 shares.

D. F. Bevan (Holdings)—M. F. Bevan, director, has acquired a beneficial interest in a further 197,620 ordinary registered in the name of Midland Bank Branch Nominees making the total holding registered in that name 324,545 ordinary (5.47 per cent). D. F. Bevan, director, has disposed of 197,620 ordinary leaving his total holding 1,322,146 (22.46 per cent).

## Jas. Latham warns on current year

The combination of high interest rates, a strong pound and potentially subdued demand may make the current year somewhat difficult, Mr. M. Latham, chairman of James Latham, says in his annual statement.

There appears to be some uncertainty about the future course of timber prices. But, he adds, "we are continuing to run a 'light ship' and are confident that we can adapt to changing circumstances."

He says that, since the company is dependent on international trade, profits tend to fluctuate from year to year.

In setting the dividend distribution, the company would try

to iron out the effect of some of these fluctuations so that shareholders "should be able to look forward to a consistent and hopefully rising income."

As reported on July 12, taxable profits advanced to £1.68m (£0.96m) in the year to March 31, 1979. The net dividend is lifted from 7.54p to 8.7p.

Bank overdrafts increased by £322,000 compared with a £358,000 decrease last time.

Mr. Latham, Leslie Wharf, Clapton, E. August 30 at 2.30 pm.

### FAIRBAIN LAWSON

Because of the legal requirement to hold an annual meeting each year, Fairbairn Lawson is convening one on August 31, 1979, even though it will not be able to present the report and accounts for 1978. The Board intends to adjourn the meeting immediately until the report and accounts can be considered.

# MINING NEWS

## Impala Platinum plays for high stakes

BY KENNETH MARSTON, MINING EDITOR

FOLLOWING its buoyant earnings for the first half of the year to June 30 the South African Union Corporation group's Impala Platinum has surpassed all expectations with its result for the full year. Pre-tax profits have jumped to R20.1m (£53.9m) from R44.7m (£112.8m) in 1978.

After a sharply increased tax and lease charge, the group net profit comes out at R69.7m against R33.4m. Earnings per share have advanced to 121 cents from the equivalent of 58 cents and a final dividend of 24 cents (12.8p) makes a total of 34 cents against the equivalent of 18.4 cents for 1977-78.

	1978	1979
Group profit	120,867	120,867
Tax and lease charge	50,340	50,340
Profit after tax and lease consideration	69,727	69,727
Minority interest	20	20
Available to ordinary shareholders	69,707	69,707
Retained surplus	1,030	1,030
Available	70,737	70,737
Transferred to reserve	46,080	46,080
Dividends	5,136	5,136
Retained surplus	19,521	19,521
Earnings per share	121	121

The sharply higher earnings reflect increased sales of platinum group metals and nickel coupled with higher prices; the company's fixed selling price for platinum rose from \$325 per ounce to \$350 on April 27 last, having come up in stages from \$220 at the end of June, 1978.

The free market price of platinum reached a peak of \$456

earlier this year and is currently around \$372, the reaction having stemmed from a fresh look at the demand-supply situation coupled with considerations of the U.S. recession.

But Impala remains confident of the outlook for its products, pointing to a continuing firm demand for platinum, palladium and rhodium. The company adds: "While the recent sharp reduction in automobile sales in the U.S. is a matter of some concern it seems probable that this is a passing phase" arising from high prices for, and shortages of, gasoline.

At all events, Impala says that the more severe U.S. standards of exhaust emission controls for the 1980, 1981 and subsequent model year cars should lead to an increased demand from the automobile industries in the U.S. and Japan for platinum group metals in exhaust control devices.

Backing its words with deeds, Impala intends to raise its annual production further to around 870,000 ounces of platinum, together with accompanying metals, in the current year to next June.

Furthermore, the mine and refinery capacity is to be increased by 100,000 to a notional 1,000,000 or per annum. This is in order to meet maximum contract requirements that have been already notified by certain automobile manufacturers for 1981 and subsequent years.

Because of this expansion Impala's capital spending is expected to rise from the past year's R50.6m to around R45m-R55m in the current year. And it is unlikely to be less than R36m-R40m in each of the next two years.

In order to help in the financing of this big expenditure the group has recently negotiated a three-year loan of R15m and an eight-year loan of R5m.

Impala's latest results were not published during market hours yesterday and the shares closed slightly easier at 181p. This puts them on a yield of just over 11 per cent which is a reasonable return when allowance is made for the growth prospects indicated by the expansion proposals and, on the other hand, for the "political discount" at the same time, the company will be carrying a heavy burden of capital expenditure for the next three years which must slow the rise in dividends to some extent. Thereafter, distributions could expand sharply providing, of course, that the group's confidence in the outlook for the platinum market is borne out. The shares may well have a near-term rise, but it tends to be uncertain whether, after this, buyers will be prepared to take a longish view of firm platinum prices when they can obtain far higher dividend yields on gold shares in the meantime.

## Blair Athol lands a A\$2bn coal contract with Japan

PROSPECTS of the large Blair Athol steaming coal venture in Australia coming into production have received a strong boost with the gaining of a 78m tonnes long-term contract to supply a Japanese electric utility, reports James Forth from Sydney.

The contract, for 15 years and valued at about A\$2bn (£1bn), was announced by the major Blair Athol shareholders, Consing Riotinto of Australia, the 68.2 per cent-owned offshoot of Rio Tinto-Zinc.

The deal is with Electric Power Development of Japan, which has also agreed to take a 19 per cent interest in the Blair Athol project. Other shareholders will now be CR 50.2 per cent and Atlantic Richfield of the U.S. 30.78 per cent.

It is the largest long-term contract for steaming coal ever negotiated by an Australian company.

The Japanese utility has signed a letter of intent for the supply of the coal, starting early in 1985, and will co-operate on a final detailed feasibility study. The project needs contracts of at least 10m tonnes a year to make it viable, and would cost several hundred million dollars to develop.

in the Gaspé district of eastern Quebec. Mine tonnage, now 2,300 tons per day, will be increased gradually to the plant's 2,500 tons capacity.


Camfo Mines, the Quebec gold producer, will spend C\$2m (at the rate of C\$1m per 12-month period) on exploration and development work on the oil-gas properties and interests of 25 per cent owned Neomar Resources.

Camfo, as a taxpayer, will obtain the tax benefits resulting from these expenditures whereas Neomar, which is not expected to be in a tax-paying position for several years, will benefit to the extent of its interests in any C\$4.6m.

new wells which result from the exploration-development paid for by Camfo.

Camfo will receive Neomar minority shares in return for its outlay, if it could increase its equity in Neomar to 49 per cent by the end of the second 12-month period. And if it exercises its option to spend a further \$2m, it could end up with 59 per cent.

First-half 1979 net profit of Casalis Asbestos, the northern British Columbia asbestos producer, declined to C\$6.3m, or \$1.15 per share, from \$8.3m in the same period of last year. Revenue was down C\$42.6m from C\$44.6m.



Dfls. 50,000,000.—  
6% bearer Notes of 1972  
due 1978/1982  
of  
**EUROPEAN INVESTMENT BANK**  
Redemption Group No. 1  
having fallen due before.

Notes belonging to Redemption Group No. 5  
will be redeemed on and after  
**SEPTEMBER 15, 1979.**

in accordance with drawing effected on  
July 30, 1979 pursuant to the Terms  
and Conditions.

Paying Agents:  
Amsterdam-Rotterdam Bank N.V.  
Algerne Bank Nederland N.V.  
Bank Mess & Hope NV  
Pierson, Heldring & Pierson N.V.  
in Amsterdam  
and  
Banque Générale du Luxembourg S.A.  
in Luxembourg

August 14, 1979.

**COMPAGNIE FINANCIERE DE SUEZ**  
Société Anonyme registered in France with a capital of 526,422,300 Fr.  
Registered Office: 1, rue d'Assas, 75006 PARIS  
Financial year from January 1 to December 31  
INTERIM STATEMENT OF INCOME—1979  
(compared with 1978)

	1978	1979
Portfolio income	Francs	Francs
1st quarter	4,910,658.33	4,034,632.70
2nd quarter	184,567,777.23	139,869,902.03
	189,478,435.56	143,904,534.73
Total amount of other income		
1st quarter	3,278,438.11	2,627,455.34
2nd quarter	3,282,139.61	3,207,908.63
	6,560,577.72	5,835,363.97
GENERAL TOTAL	196,039,013.28	149,739,898.70

If should be noted that, in the case of portfolio investment companies, comparisons are only significant over a whole financial year.

In particular, the dividend from Cie. de Saint-Gobain-Pont-à-Mousson, which, in 1978, was received before the 30th June, was, in 1979, only received at the beginning of the 3rd quarter for a net amount of 37.1 million francs. London, 8th August 1979

**Hydro Québec 9% Debentures,  
Series DE due  
1st August, 1992**

Debentures covering U.S.\$ 5,000,000 have been purchased on the market to satisfy the Purchase Fund due 1st August, 1979.

## Turnover well up: balance sheet remains strong

In large measure the year has been one of consolidation and working on existing developments. New automated machinery is now operating in the main factories and contributing in the current year.

Our dividend was historically low and we interpreted a maintenance of dividend as meaning payment equal to that which we indicated we wished to pay last year.

Production in April and May has been at record levels and order intake at a rate well above our capacity to supply. We have a further increase in output to come as a result of the plant recently commissioned. Most of the work currently being done should put us in a stronger position to face the future.

The Annual General Meeting will be held at the Charing Cross Hotel, Strand, London, on 23rd August 1979 at 12 noon.

Copies of the Report and Accounts may be obtained from the Secretary, Lever Street, Bolton BL3 6DJ.

Financial Highlights	1979	1978
Turnover	£2,867	£2,733
Overseas sales*	1,757.3	1,510.0
Profit before tax	3,022	3,062
Profit after tax	1,960	2,670
Dividends per share	9.0p	6.3p
Earnings per share		
on profit before taxation	36.2p	44.5p
on profit after taxation	23.6p	32.5p

\* Does not include a substantial proportion of goods sold in the United Kingdom but exported as part of other manufacturers' products.

Points from the Review by the Chairman, Mr L. V. D. Tindale

Turnover was well up but margins have suffered through the transport strike and the continued strengthening of the pound. The balance sheet remains strong.



مكتبة الأصيل

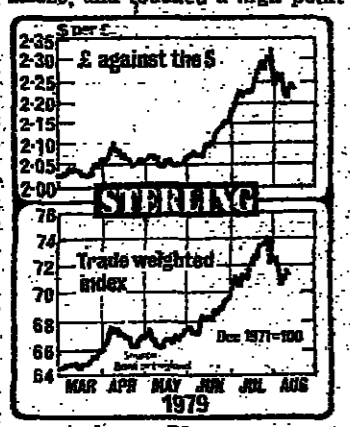


CURRENCIES, MONEY and GOLD

Companies and Markets

Dollar firm

The dollar gained ground against other major currencies in quiet foreign exchange trading yesterday. There was little movement in the morning, with European central banks giving some support to the U.S. currency. The market became more nervous and uncertain in the afternoon, with the U.S. Federal Reserve taking advantage of the quiet conditions to push the dollar up to its best level of the day in terms of most currencies towards the London close.



of \$2,250-2,260 in the morning on good commercial demand. During the afternoon the pound fell to \$2,250-2,260 as the dollar improved in general and sterling closed at \$2,255-2,265, a fall of 1.5 cents on the day. The pound's trade-weighted index as calculated by the Bank of England, fell to 71.2 from 71.5 after standing at 71.8 at noon and early trading. The dollar's index, on Bank of England figures, rose to 84.5 from 84.3. The U.S. currency traded within a range of DM 1.8150 to DM 1.8290 against the D-mark, before closing at DM 1.8250 on Friday. In terms of the Swiss franc, the dollar moved between SwFr 1.6390 and SwFr 1.6335, and closed at SwFr 1.6320, compared with

SwFr 1.6480 before the weekend. The Bundesbank did not intervene when the dollar was fixed at DM 1.8218 against the D-mark, compared with DM 1.8256 previously. Trading was light, with the dollar moving between DM 1.8180 and DM 1.8256 before the fixing. Market sources indicated that the German authorities probably intervened to help the U.S. currency during the morning. The rise in West Germany's wholesale price index at an annual rate of 7 per cent helped the dollar, while sterling was generally strong in quiet trading.

ZURICH—The dollar was firm in quiet early trading, benefiting from the higher than expected rise in West Germany's June wholesale price index. The Bundesbank was probably adding support to the dollar. The U.S. currency rose to SwFr 1.6440 by mid-morning from an opening level of SwFr 1.6400, while the Swiss franc was slightly stronger against the D-mark.

AMSTERDAM—In late trading the dollar rose to Fl 2.0065 against the guilder, from the fixing level of Fl 2.0030. The dollar improved against the lira at the fixing, while EMS currencies, except the guilder, lost ground to the Italian unit. The dollar was fixed at L.816.45 compared with L.813.70 on Friday, while the pound rose to L.1538.70 from L.1527. The D-mark fell to L.448.25 from L.448.55. The Bank of Italy did not intervene in official trading, but supported the dollar during early interbank trading. The U.S. dollar rose slightly to Y216.15 at the close yesterday, from Y216.32 on Friday. The U.S. currency opened at Y216.00 and improved slightly to a high point of Y217.2, helped by a technical shortage of yen. Japanese imports in July, the record increase in imports but only slight pressure on the yen however, since imports also rose last month.

THE POUND SPOT AND FORWARD

Table with columns: Aug. 13, Day's spread, Close, One month, Three months, Six months. Lists various currencies like U.S., Canada, Denmark, etc.

THE DOLLAR SPOT AND FORWARD

Table with columns: Aug. 13, Day's spread, Close, One month, Three months, Six months. Lists various currencies like U.S., Canada, Denmark, etc.

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on August 13, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Large table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING. Lists numerous countries and their exchange rates.

OTHER MARKETS

Table with columns: Aug. 13, Bank of England, Morgan Guaranty, etc. Lists market movements for various currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, ECU amount, % change, etc. Shows rates for various European currencies relative to the ECU.

EXCHANGE CROSS RATES

Table with columns: Aug. 13, Pound Sterling, U.S. Dollar, Deutsche Mark, etc. Shows cross rates between major currencies.

EURO-CURRENCY INTEREST RATES

Table with columns: Aug. 13, Sterling, U.S. Dollar, Canadian Dollar, etc. Shows interest rates for various currencies.

INTERNATIONAL MONEY MARKET

European rates steady

European short term interest rates showed little change overall. In Paris, call money rose to 10 1/2 per cent from 10 per cent, while one-month funds firmed slightly to 10 1/2 per cent from 10 1/4 per cent, and three-month funds rose to 10 1/2 per cent from 10 1/4 per cent. Three-month money rose to 10 1/2 per cent, and six-month to 10 1/2 per cent.

UK MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 14 per cent (since June 14, 1979). Day-to-day credit was in short supply in the London money market yesterday, largely reflecting the recall of special deposits to the Bank of England. The authorities gave an exceptionally large amount of assistance by buying a moderate number of Treasury bills from the discount houses and banks,

GOLD Sharp fall

Gold fell \$4 1/2 to close at \$371.298. It opened at \$370.303 and touched a high point of \$374.304 around the time of the morning fixing. Selling from New York pushed the metal down sharply in the afternoon to a low level of \$368.297. In Paris the 151 kilo gold bar was fixed at FF 43,600 per kilo (\$318.57 per ounce) in the afternoon, compared with FF 43,900 (\$322.03) in the morning, and FF 43,750 (\$321.20) Friday afternoon.

LONDON MONEY RATES

Table with columns: Aug. 13, 1979, Sterling, U.S. Dollar, Canadian Dollar, etc. Shows money rates for various currencies.

\* That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 93.312. Based on gross rates against Russian rouble. \*\* Rate is the transfer market (controlled). †† Rate is now based on 2 Barbados \$ to the dollar. ††† Now one off rate. (U) Unific Rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and are not members of IMF.

Thomas Cook Travellers Cheques. The accepted name for money. Worldwide. A member of Midland Bank Group.

BRAZIL The outlook for the 1980's

RIO DE JANEIRO-OCTOBER 17 & 18 1979

H.E. Minister Karlos Rischbieter, Minister of Finance, Brazil will give the keynote address at this second conference to be arranged by the Financial Times with Varig Brazilian Airlines in Rio de Janeiro on 17 and 18 October 1979.

The conference will provide an opportunity to hear expositions of government policy. An international panel of speakers will assess the outlook for Brazil, its relationship with the United States and with the European Community and the implications of the energy problem.

For full details of the conference programme please complete and return the coupon below.

Form for requesting 'BRAZIL-THE OUTLOOK FOR THE 1980's' conference details. Includes fields for Name, Company, Address, and Tel.

Table with columns: Name (BLOCK CAPITALS PLEASE), Title, Company, Address, Tel. Lists names and contact information for attendees.



TRADE DEVELOPMENT BANK

Mr. Safra decides to shed a veil

BY JOHN EVANS

ONE OF THE MOST detailed insights yet given into the Trade Development Bank Group...

that one of the aims of publishing such a comprehensive document was to "present ourselves more fully to a wider financial community."

The Group has developed particular specialisations in the financial markets, and its trademark nowadays tends to be activities in the forfait markets (discounting exporters' receivables against government or prime bank guarantees)...

deposits of Trade Development banks of \$1.06bn are represented by customer placements—estimated to be the highest ratio for any bank of this type.

In a rare disclosure for a European-based bank, the Group also says that, at end-1978 non-performing assets of the TDB banks totalled about \$5m or less than one-quarter per cent of earnings assets.

Market raid on main Ansett contender

By James Forth in Sydney

THE SHAREMARKET battle for control of Ansett Transport Industries took a dramatic turn yesterday when the main contender, Ampol Petroleum, found itself the subject of a market raid.

Interest bill hits Safmarine profit

BY JIM JONES IN JOHANNESBURG

SOUTH AFRICA'S national shipping line South African Marine Corporation's recent heavy expenditure on container vessels has yet to be reflected in earnings at the pre-tax level.

contributing to recovery of their material interest burden. In July, the company announced that it was quitting the bulk oil transport market with the sale of its 217,000-ton tanker Kulu to Greek interests.

In the year to June 30, 1979, group revenue from shipping operations advanced by 42.8 per cent from R219.2m to R313m (US\$375m), resulting in an operating profit of R49.1m (\$58.8m) compared with R55.6m.

With a higher overall tax rate, Highveld has reported earnings per share of 40.3 cents against 31 cents and declared dividends totalling 20 cents compared with 16 cents.

Highveld profit jump

BY OUR JOHANNESBURG CORRESPONDENT

HIGHVELD STEEL and Vanadium, the South African producer of steel and vanadium products has reported a 55.2 per cent improvement in turnover from R175m to R268.4m (\$21.4m) for the year to June 30, 1979, and a jump in pre-tax profit to R44.4m (\$52m) from R28m in 1978.

With a higher overall tax rate, Highveld has reported earnings per share of 40.3 cents against 31 cents and declared dividends totalling 20 cents compared with 16 cents.

However, just what proportion of the improvement is attributable to acquisitions is not specified in the preliminary announcement. In October last year, Highveld acquired Rand Carbide, its major supplier of silica and silicon products. The subsidiary contributed some 13 per cent of earnings in the six months to December 31, 1978.

Profit growth in the second half is not expected to be as rapid as it has been in the first half, but a substantial improvement is expected overall. Earnings of not less than 40 cents are forecast and it is anticipated that a final 13 cents will be paid. The interim payment is raised from 4 cents to 7 cents.

Control rests with its founder, Mr. Edmond Safra, through Trade Development Banking Holding SA, a Luxembourg-based holding company for Trade Development Bank Geneva, the largest foreign bank in Switzerland, and Republic New York Corporation, the parent vehicle for Republic National Bank. Mr. Safra owns 10.7m shares of the Luxembourg parent—55.4 per cent of its outstanding stock.

The group retains a reputation for secrecy, perhaps reflecting its modern origins in Switzerland, where banks still preserve a high degree of privacy, as well as the personal style of Mr. Safra himself.

Republic National Bank was formed in 1965 as a part of Mr. Safra's policy of extending group interests in major financial centres. Three years ago, RNB and Trade Development Bank became sister companies controlled by the common holding company in Luxembourg.

The prospectus shows that in figures for the earning assets in the Trade Development banks, Britain represents the largest single "country risk" exposure: 10.2 per cent of the earning assets portfolio of more than \$2bn is held in the form of UK risk.

average for banks operating internationally, it says. "In the United States, Republic National Bank had a ratio of total stockholders' equity to assets last year which placed the bank by this criterion second of the largest 100 U.S. banks."

French group buys stake in Spanish brewery

By David White in Paris

BSN-GERVAIS DANONE, the French food, glass and packaging group, is on the point of gaining an important foothold in the Spanish drinks sector by buying a one-third shareholding in a local brewery, Mahou.

German bank margins squeezed

BY ROGER BOYES IN BONN

THE RESULTS for the first six months of this year from Commerzbank and Dresdner Bank underline the pressures on banking margins in West Germany.

Despite the reduced operating result—which takes into account both the smaller gains from securities dealings and the sustained profits from foreign exchange business—net interest and dividend income continued to cover general operating expenses. The bank warns though that the 1979 result could be impaired by year-end write-downs of certain securities holdings.

tributing more than DM 11bn of the total. Claims on credit institutions fell DM 0.5bn to DM 17.5bn, while liabilities to banks rose DM 1.5bn to DM 19.5bn.

Reduced first half profit at Privatbanken

By Hilary Barnes in Copenhagen

PRIVATBANKEN reports a fall in first-half earnings before depreciation, allocations, tax and adjustment for security values. Earnings were down from Dkr 170m in 1978 to Dkr 122m (\$23.3m).

Far Eastern Results

Jurong Cement lifts earnings

BY GEORGIE LEE IN SINGAPORE

JURONG CEMENT, which made its debut on the Singapore stock market only last month, has reported a 15.9 per cent increase in group profits for the year to March. The figure of S\$2.26m (US\$1.1m) slightly exceeded a forecast made of the prospectus by S\$0.02m.

the company expects to declare a gross dividend of 7.5 per cent for the year to March 31, 1980.

ment over the first half year of 1978 which saw pre-tax losses amounting to S\$708,000.

These initiatives, taken at a time when the French beer market is lagging, fit in with Government-backed efforts to build up the group's food-export role.

Thomson-Brandt sales increase

PARIS—First-half consolidated turnover of the Thomson-Brandt electronic group rose to FF 13.5bn (\$5.1bn) from FF 10.4bn.

By sector, turnover included major gains in electrical goods FF 6.95bn (against FF 5.31bn), consumer durables FF 3.4bn (FF 2.65bn), medical activities FF 1.08bn (FF 932.6m), and household electrical goods FF 1.07bn (FF 915.1m).

Group sales of S\$65m were marginally higher than those achieved in the corresponding period last year. The company which is active in the building materials industry, expects to maintain the improved level

European Investment Bank £15,000,000 12 per cent Sterling/U.S. dollar payable Bonds 1991 S. G. Warburg & Co. Ltd. N. M. Rothschild & Sons Limited Sumitomo Finance International

UDRUZENA BEOGRADSKA BANKA US \$700,000,000 financing in connection with the supply of a cold rolling mill complex by Davy-Loewy Limited to Metalurški Kombinat Smederevo... Grindlay Brandts Limited

WORLD STOCK MARKETS

Companies and Markets

Dow rises 8.2 more—almost at year's high

INVESTMENT DOLLAR PREMIUM Effective \$2.360 12 1/2% (10 1/2%) A FURTHER widespread advance took place on Wall Street yesterday in a heavy turnover.

wholesale prices and further growth in the basic money stock. The money supply expansion was expected to bring a credit tightening response from the Federal Reserve after the Federal Open Market Committee meeting today, but there were hints of a possible firming effort to interest rates yesterday.

The two companies have resumed merger talks. Superior Oil announced plans for a five-for-one stock split and raised the dividend. Prior to the announcement, trading in the stock was halted at \$44.00.

There was selective buying interest in Light Electricals, Pharmaceuticals and Vehicles, but recently well favoured Resources-related issues and Paper-Pulps mainly lost ground on profit-taking, while Shippings continued to move ahead.

ESV advanced FI 4.10 on improved results for the first seven months. Sluggish morning trading gave way to active afternoon buying interest, much of it centred on Properties, and the market resumed its recent uptrend to leave the Hang Seng index 4.90 higher at a new peak for the year of 625.78.

Hong Kong Sluggish morning trading gave way to active afternoon buying interest, much of it centred on Properties, and the market resumed its recent uptrend to leave the Hang Seng index 4.90 higher at a new peak for the year of 625.78.

Indices

Table with columns for Index Name, Date, High, Low, and Change. Includes NYSE, Dow Jones, Nikkei, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Standard and Poors, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes NYSE All Common, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Montreal, Toronto, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Johannesburg, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Australia, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Amsterdam, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Tokyo, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Brussels/Luxembourg, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Stockholm, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Oslo, etc.

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Table with columns for Index Name, Date, High, Low, and Change. Includes Stockholm, etc.

Large table of stock prices for various companies, including columns for Stock Name, Price, and Change.

Canada Stock prices were mixed with a firmer bias after light trading. Although the Nikkei-Dow Jones Average shed 5.84 to 6,394.63, the Tokyo SE index rose 1.62 to 2,152.43.

Germany An easier tendency developed yesterday in considerably quieter trading with dealers noting a lack of real buying interest.

Paris Oil shares advanced to gains recorded last week, while other sectors were mixed with a steady undertone attributed to generally positive news.

Australia Markets were predominantly firmer again, with the Sydney All Ordinaries index rising 3.72 to a new seven-year high of 612.92.

Table titled 'EUROPEAN OPTIONS EXCHANGE' showing various option contracts and their prices.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates.

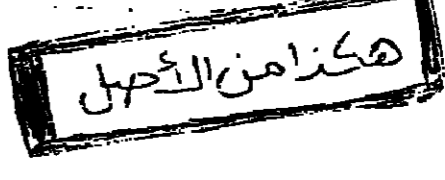
Table titled 'AMSTERDAM' showing stock prices for various companies in Amsterdam.

Table titled 'COPENHAGEN' showing stock prices for various companies in Copenhagen.

Table titled 'BRUSSELS/LUXEMBOURG' showing stock prices for various companies in Brussels/Luxembourg.

Table titled 'STOCKHOLM' showing stock prices for various companies in Stockholm.

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Companies and Markets

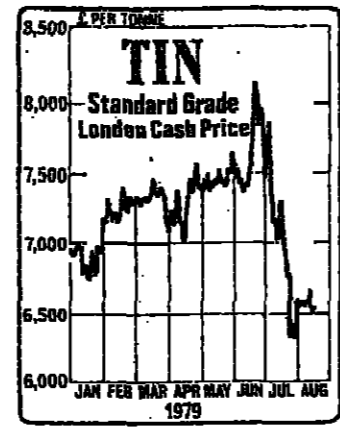
COMMODITIES AND AGRICULTURE

Big French wine crop expected

By Our Commodities Staff
FRANCE is expecting a bumper wine harvest of 70m hectolitres this year, almost 8 per cent above average and 21 per cent more than last year.

Producers may ask OPEC to buy stockpile tin

KUALA LUMPUR—Tin producing countries may approach OPEC, and request they buy any surplus tin released by the U.S. stockpile.



30,000 tonnes, including 5,000 tonnes as the U.S. contribution to the International Tin Council buffer stocks.

EEC plans cheap butter sale

THE COMMON Market Commission has set aside 157,000 tonnes of butter for sale at reduced prices in six member states during the winter.

W. GERMAN FISHING

Arthur, king of the Baltic kutter fleet

IN WEST GERMAN fishing, as farming, the small businessman occupies a key position. So, Herr Eril and Herr Steingraber operators make the running in establishing the country's position on the renegotiation of the EEC common fisheries policy.

Optimism over Nicaraguan export crops

MANAGUA—Nicaragua's major agricultural export crops, cotton, coffee and sugar cane, survived the 1978-79 two-month civil war surprisingly well.

Doubts on EEC hide export curbs

BY CHRISTOPHER PARKES
THE RELUCTANCE of the U.S. authorities to impose controls on exports of hides is dampening hopes that the European Commission will respond to pleas for similar action.

slender margins on beef production. Backing them up, a U.S. Department of Agriculture study group recently concluded that action to liberalise trade rather than to impose export controls or raise import tariffs would in the long run provide most benefit for consumers and producers.

Aluminium stocks fall

PRIMARY ALUMINIUM stocks held by members of the International Primary Aluminium Institute fell to 1,532,000 tonnes in June from 1,598,000 at the end of May and 2,269,000 a year earlier.

World cotton forecast raised

WASHINGTON—World cotton production is expected to increase to 65.6m bales (480 lb) from 65.5m last season, according to the U.S. Agriculture Department.

Russia buys Thai maize

BANGKOK—The Soviet Union has agreed to buy 50,000 tonnes of Thai maize for August-October delivery at \$168 a tonne, trade sources said here yesterday.

U.S. grain forecast hits prices

CHICAGO—Grain and soybean futures fell sharply at the Chicago Board of Trade yesterday morning under the impact of the U.S. Department of Agriculture's "bearish" domestic crop production report.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals (Copper, Tin, Zinc, Lead), Coffee, Sugar, and Grains. Includes prices for various grades and contracts.

AMERICAN MARKETS

Table with columns for Metals (Aluminum, Copper, Tin, Zinc), Coffee, Sugar, and Grains. Includes prices for various grades and contracts.

INSURANCE BASE RATES

Table showing Vanburgh Guaranteed at 121% and Property Growth at 111%.

CORAL INDEX: Close 473.48

I.G. Index Limited 01-351 3466. One month Gold 299.0-301.1. 28 Lamont Road, London SW10 0HS.

COMPANY NOTICES

ALGEMENE BANK NEDERLAND N.V. Incorporated in The Netherlands with limited liability. Interim dividend for the year 1979.

WHEAT

Table showing wheat prices for various grades and contracts.

BARLEY

Table showing barley prices for various grades and contracts.

WHEAT

Table showing wheat prices for various grades and contracts.

SILVER

Table showing silver prices for various grades and contracts.

RUBBER

Table showing rubber prices for various grades and contracts.

COCOA

Table showing cocoa prices for various grades and contracts.

TEA AUCTION

LONDON—50,242 packages were offered at yesterday's auction. North India teas were the main feature.

WOOL FUTURES

SYDNEY GREASY—Clean fine order buyer, business, 4100, 4100, 4100.

MEAT/VEGETABLES

MEAT COMMISSION—Average livestock prices at representative butchers on August 13.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 78 tonnes.

SOYBEAN MEAL

The London market opened with a bid for soyabean meal, reported by the day, reported Gill and Duffie.

EUROPEAN MARKETS

ROTTERDAM, August 13. Wheat—U.S. No. 2 Hard 142.00.

INDICES

Table showing financial times indices for August 13, 1979.

MOODY'S

Table showing Moody's indices for August 13, 1979.

REUTERS

Table showing Reuters indices for August 13, 1979.

CLUBS

EVE has outlived the others because of a lot of money. Clubs and bars are being closed.

ART GALLERIES

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LONDON STOCK EXCHANGE

Equities begin Account brightly helped by Wall St. hopes but Gilts drift lower as investment interest falters

Account Dealing Dates Option
\*First Declara- Last Account
Dealings tons Dealings Day
July 30 Aug. 9 Aug. 10 Aug. 20
Aug. 13 Aug. 23 Aug. 24 Sep. 3
Aug. 28 Sep. 6 Sep. 7 Sep. 17

Stock markets began the new trading Account in mixed fashion yesterday with equities resuming last week's upturn but with Gilts drifting lower as investment interest falters in the wake of Friday's surprise announcement of a new £1bn short put issue.

Foods held selective rises, partly encouraged by a broker's recent circular, although the overall improvement here was relatively modest. Measuring the day's extremes in leading shares, the FT 30-share index was 0.4 off at the first calculation, but closed a net 2.8 up at the day's best of 475.2, its highest for nearly four weeks.

Early losses among British Funds were extended by a continuation of light selling and a shortage of investment funds. Interest tended to centre on the shorts because of Friday's late announcement of a new £1bn short put issue in this area, but the volume of completed business was described as moderate. A rally got under way in the early afternoon but failed to hold and after the official close quotations were near to, or at the day's lowest and showing falls ranging to 1.1.

A late demand encouraged by the opening tone on Wall Street yesterday pushed rates for investment currency higher and the premium closed a further 3/4 points up at 3 1/4 per cent, or an effective level of 12 1/2 per cent. Business earlier was more evenly balanced and resulted in only modest changes in the rate. Yesterday's SE conversion factor was 0.8877 (0.9037).

Only 265 contracts were completed in the Traded Options market compared with last Friday's 413 and last week's daily average of 347. ICI

attracted a fair interest, recording 65 deals while 50 were done in Marks and Spencer.

Insurances firm

Quietly firm conditions prevailed in Composite Insurances. Commercial Union edged forward a penny to 148p in front of today's interim results, while General Accident, which report tomorrow, closed 4 to the good at 222p. Among Lloyd's brokers, Stanhouse stood out with a rise of 6 to 84p on buying ahead of the half-yearly figures due on August 23. Elsewhere, Hambro Life put on 5 to 121p.

Firm recently in sympathy with the gilt-edged market. Discounts continued to make progress in places. Gerrard and National adding 8 to 286p and Alexanders firming 5 to 243p. Continuing to reflect the sharp increase in interim profits and bullish forecast for the second half. Goode Durrant and Murray hardened a penny more to 34p.

Matthew Clark stood out in an otherwise lacklustre drinks sector, rising 8 to 170p on revived speculative buying. Arthur Bell also came in for some support and finished 4 better at 172p.

Early selective support resulted in several notable gains in the Building sector. Blue Circle firmed 4 to 280p and Taylor Woodrow 6 to 388p. Marchwell were wanted, at 109p, up 8, as were Wilson (Contract) 6 better at 188p, and A. Monk, 9 1/2 to the good at 87 1/2p, the last-named in response to favourable weekend Press comment. Vibro-plant advanced 15 to 230p in a thin market in response to the satisfactory annual results, while Beaufort Concrete added 3 to 46p on dividend considerations, despite the lower interim profits.

Timber issues commanded a fair amount of attention with Parker, 188p, and Phoenix, 140p, adding 6 and 10 respectively, while Continental, L. Meyer improved 3 to 94p. A couple of pence firmer for most of the session, ICI attracted late demand and closed a net 5 up at 342p. Elsewhere in Chemicals, speculative demand prompted gains of 4 and 9 respectively in Allied Colloids, 119p, and Stewart Plastics, 183p.

Peters Stores good

The Stores sector got the new Account off to a bright start as selective buying brought some useful improvements, especially among second-liners. Investment buying continued for Harris Queensway following Press comment and the close was 8 higher at 280p, while Peters responded

to renewed speculative buying on bid hopes with a fresh gain of 4 to 82p. MFI Furniture put on 9 to 170p and A. and J. Geller rose 7 to 80p. Dineen Photographic advanced 6 to 150p and improvements of 4 were seen in Comet Radiovision, 158p, Lee Cooper, 187p, and R. and J. Pullmann, 111p, and E. Upton "A", 42p. Late details of the July retail sales figures made little impression on the leaders which held on to early improvements of up to 4. Burton "A" ended the month at 282p and Gussies "A" hardened 2 to 272p; the latter after Press comment. F. W. Woolworth edged forward 1 1/2 to 78p ahead of tomorrow's first-half results.

Electricals closed with some useful gains after a reasonably brisk start. Among the leaders, renewed investment demand left GEC 6 dearer at 386p, after 400p, while Thorn closed 7 to the good at 440p. Helped by news that one of its subsidiaries had been awarded two contracts for the supply of radio communications receivers to the U.S. air force and the Canadian armed forces. Racal featured at 470p, up 23. Wholesale Fittings responded afresh to the annual results with a rise of 12 more to 375p, while further support lifted Unitec 7 to 193p. Sound Diffusion gained 4 to 132p and rises of a similar amount were recorded in Auto-aided Party, 178p, Dreamline 51 1/2 and Electric 195p. Dowling and Mills improved 3 to 38p in smaller-priced issues.

Occasional buying interest was shown in the Engineering leaders, particularly John Brown which more than repaid the dividend at 427 1/2p. Hawker firmed 7 to 202p and GKN 6 to 271p. Elsewhere, news that shareholders had voted in favour of the U.S. acquisition prompted a reaction of 9 to 57p, while in Williams Engineering, after the 35p cash bid from Redman Heenan was subject to the U.S. acquisition not going through. Assisted by option demand, Manganese Bronze became a good market at 44p, up 10p, and was followed by 100p and 100p rises were marked against B. Elliott, 218p, and Victor Products, 135p. Benjamin Priest were favoured at 60p, up 4, while British Aluminium hardened 3 to 203p ahead of tomorrow's interim results. In Richards, Richards (Leicester) encountered fresh selling and gave up 4 to a low for the year of 64p.

Foods attracted a useful business in the wake of a broker's circular. Associated Dairies improving 5 to 280p and Kwik Save adding 4 to 355p. Standing 12 higher at 8 to 355p and while William

Morrison advanced 12 to 188p, the latter following Press comment highlighting bid possibilities. Rowntree Mackintosh firmed 4 to 198p and Unigate 3 to 89p, while speculative favourite Spillers hardened 1 1/2 to 40p. Barker and Dobson, a dull market of late on the capital reduction proposals, rallied a penny to 181p, but Squirrel Horn, reflecting the lower interim profits, shed that much to 35p.

Silentnight wanted

Easier at the outset, miscellaneous industrial leaders picked up on selective buying as the day progressed and closed with gains ranging to 6. Beecham ended that much better at 144p, while Beckitt and Colman put up 5 to 214p and Pilkington improved a similar amount to 305p. Ahead of tomorrow's interim report, Unilever edged forward 2 to 510p, while Sears hardened 1 1/2 to 55 1/2p in response to Press comment. Elsewhere, a couple of weekend Press tips attracted buyers to Silentnight which improved steadily to close 14 at 72p, while E. Fogarty rose a like amount to 94p as buyers again anticipated early news of the scrip-issue proposals first out-let at the end of May. Manchester Ship Canal added 15 to 297p following the highly satisfactory interim results and Lead Industries moved up 4 in the late trade to 188p on news of the 500m deal with Ind. Invest. Ltd. of the U.S. Buying in front of today's interim results prompted a rise of 4 1/2 to 78 1/2p in Smith and Nephew, while gains of 14 and 15 respectively were seen in Vinten, 170p, and ICL, 460p. A resurgence of speculative buying on bid hopes helped Office and Electronic put on 9 to 186p, while Gripperris revived with a rise of 5 at 142p. Walton remained friendless at 15p, down 2, and Radiant Metal lost 4 to 42p on profit-taking.

Certain Leisure issues made progress. Associated Press 21 added 10p, Management Agency and Music, 146p, and Pleasurama, 155p, added 7 and 5 respectively. Garage concerns to benefit from early interest included Lex which firmed 4 to 89p and 8-Bits, 45p, which added 3 to 65p. Dutton-Forsyth, 45p, and Wadham Stringer, 38p, put on 3 1/2 and 3 respectively, while Harold Perry added 1 to 137p.

Quietly firm conditions prevailed among leading Properties with MEPC hardening 2 to 186p and Great Portland Estates adding 4 to 355p. Standing 12 higher awaiting the annual

results, Bernard Sunley slipped on the announcement and closed just 1/2 up on balance at 488p; the company is awaiting bid terms from Eagle Star. Elsewhere, Fairview Estates revived with a gain of 17 to 229p and Law Lead firmed 6 1/2 to 73p, while London Shop Property and Britten Estates added 4 apiece to 89p and 138p respectively. Renewed interest was shown in Daejan which put on 1 to 144p, but Mckey Securities, at 130p, gave back half of last Friday's gain of 6, the latter's annual results are due today.

Oils improve

Oils made fairly modest progress. British Petroleum edged up 5 to 1185p and Royal Dutch 5 to 1440p. Shell, however, proved against the trend, closing 5 cheaper at 328p following the special dividend payment of 27p which had the effect of dropping the FT-Actuaries Oil share index by 3.7 per cent to 333.06 and causing sharp gains in the sector's yields. Outside the leaders, Ultramar firmed 6 to 312p and Oil Exploration 4 to 358p, while fresh speculative support lifted Stebens (UK) 10 to 270p.

Selective demand was evident in the Shipping sector. Fawcett 506p and Gold Fields 3 1/2 up 9, along with Ocean Transport which improved 3 to 97 1/2p while P. and O. Deferred edged up 2 to 104p.

Trusts trended higher, Calendon improving a penny to 72p and the 'B' a similar amount to 68p following the results and proposed scrip issue.

Textiles were led into higher ground by the results of which closed 4 to the good at 89p. Harold Ingram rose 5 to 47p in response to Press comment and Tricoreville gained 4 to 89p following the chairman's encouraging statement.

Gold steady

The firmness of the investment currency premium helped sustain sterling prices of South African Gold but in dollar terms they tended to drift in subdued trading following the downturn in the bullion price. The latter was finally 84.75 lower at \$297.625 an ounce. The Gold Mines index eased 0.1 to 169.2 while the ex-premium index fell 2 to 190.2. South African Financials were buoyed by the premium. Union Corporation advanced 12 to 362p, De Beers 7 to 389p and Anglo American Corporation 3 to 355p. General Mining were prominent with a gain of 1 to 355p. London-registered Financials

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices (Government Secs, Fixed Interest, Industrial, Gold Mines, etc.) and their values for different dates.

HIGHS AND LOWS
Table showing high and low values for various stock indices and sectors.

ACTIVE STOCKS
Table listing active stocks with columns for Stock, Denominations, Closing price, Change, 1979, and 1978.

OPTIONS
Table listing options with columns for Stock, Denominations, Closing price, Change, 1979, and 1978.

DEALING DATES
Table listing dealing dates for various companies and sectors.

LONDON TRADED OPTIONS
Table showing trading data for various options, including columns for Option, Ex. Price, Closing price, Vol., etc.

A FINANCIAL TIMES SURVEY
ARAB TRAVEL AND TOURISM
October 2 1979
The Financial Times proposes to publish a survey on Arab Travel and Tourism. The main headings of the provisional synopsis are set out below.
INTRODUCTION
Steady improvement in facilities for business travel to the Arab world after the appalling congestion that followed the 1973-74 oil price rise. Improved airports and greater airline capacity. New hotels, with over-capacity in several centres. Wider acceptance of credit cards, travellers cheques, etc. The lacunae where facilities have not improved so fast—including the poorer Arab countries. The expansion of tourism in those countries where this is a tradition and the attempts of some other countries to develop tourism.
TOURISM
BUSINESS TRAVEL IN THE ARAB WORLD
HOTELS
AIRLINES
CONFERENCE CENTRES
TRAINING AND MANPOWER
MONEY
TELECOMMUNICATIONS
BUSINESS TRAVEL AND TOURISM IN ARAB COUNTRIES
(a) The Gulf and Oman (f) Egypt
(b) Saudi Arabia (g) Sudan
(c) Yemen Arab Republic (h) Algeria
(d) Jordan (i) Tunisia
(e) Syria (j) Morocco
In addition there will be short guides to the following business centres:
(a) Kuwait (f) Baghdad
(b) Bahrain (g) Aden
(c) Doha (h) Beirut
(d) Abu Dhabi (i) Tripoli (Libya)
(e) Dubai
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Telephone: 01-248 8000 Ext. 515
FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

NEW HIGHS AND LOWS FOR 1979
Table listing new highs and lows for various stocks in 1979, including columns for Stock, High, Low, and Date.

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.
Table with columns for EQUITY GROUPS & SUB-SECTIONS, MON. AUG. 13, 1979, and various financial metrics.



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Income, Abbey Growth, etc., with columns for name, manager, and other details.

Table listing insurance and property bonds companies and their products, including Abbey Life Assurance, Crown Life Assurance, and others.

Table listing offshore and overseas funds such as Alexander Fund, Allen Harvey & Ross Inv. Mgt., and others.

Table listing offshore and overseas funds (continued) including various international investment funds and their performance metrics.

NOTES: Prices shown include 5 pence commission... unless otherwise indicated. Prices shown in italics are for units only...

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# FT SHARE INFORMATION SERVICE

## FOOD, GROCERIES—Cont.

Code	Share	Price	Change	High	Low	Open	Close	Volume
101	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100
102	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100
103	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100
104	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100
105	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100
106	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100
107	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100
108	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100
109	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100
110	Asda	1.10	+0.02	1.12	1.08	1.10	1.10	100

## HOTELS AND CATERERS

Code	Share	Price	Change	High	Low	Open	Close	Volume
111	Hotel	1.10	+0.02	1.12	1.08	1.10	1.10	100
112	Hotel	1.10	+0.02	1.12	1.08	1.10	1.10	100
113	Hotel	1.10	+0.02	1.12	1.08	1.10	1.10	100
114	Hotel	1.10	+0.02	1.12	1.08	1.10	1.10	100
115	Hotel	1.10	+0.02	1.12	1.08	1.10	1.10	100

## INDUSTRIALS (Misc.)

Code	Share	Price	Change	High	Low	Open	Close	Volume
116	Indus	1.10	+0.02	1.12	1.08	1.10	1.10	100
117	Indus	1.10	+0.02	1.12	1.08	1.10	1.10	100
118	Indus	1.10	+0.02	1.12	1.08	1.10	1.10	100
119	Indus	1.10	+0.02	1.12	1.08	1.10	1.10	100
120	Indus	1.10	+0.02	1.12	1.08	1.10	1.10	100

## ENGINEERING—Continued

Code	Share	Price	Change	High	Low	Open	Close	Volume
121	Engin	1.10	+0.02	1.12	1.08	1.10	1.10	100
122	Engin	1.10	+0.02	1.12	1.08	1.10	1.10	100
123	Engin	1.10	+0.02	1.12	1.08	1.10	1.10	100
124	Engin	1.10	+0.02	1.12	1.08	1.10	1.10	100
125	Engin	1.10	+0.02	1.12	1.08	1.10	1.10	100

## CHEMICALS, PLASTICS—Cont.

Code	Share	Price	Change	High	Low	Open	Close	Volume
126	Chem	1.10	+0.02	1.12	1.08	1.10	1.10	100
127	Chem	1.10	+0.02	1.12	1.08	1.10	1.10	100
128	Chem	1.10	+0.02	1.12	1.08	1.10	1.10	100
129	Chem	1.10	+0.02	1.12	1.08	1.10	1.10	100
130	Chem	1.10	+0.02	1.12	1.08	1.10	1.10	100

## BANKS & HP—Continued

Code	Share	Price	Change	High	Low	Open	Close	Volume
131	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100
132	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100
133	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100
134	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100
135	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100

## FOREIGN BONDS & RAILS

Code	Share	Price	Change	High	Low	Open	Close	Volume
136	Fore	1.10	+0.02	1.12	1.08	1.10	1.10	100
137	Fore	1.10	+0.02	1.12	1.08	1.10	1.10	100
138	Fore	1.10	+0.02	1.12	1.08	1.10	1.10	100
139	Fore	1.10	+0.02	1.12	1.08	1.10	1.10	100
140	Fore	1.10	+0.02	1.12	1.08	1.10	1.10	100

## BRITISH FUNDS

Code	Share	Price	Change	High	Low	Open	Close	Volume
141	Fund	1.10	+0.02	1.12	1.08	1.10	1.10	100
142	Fund	1.10	+0.02	1.12	1.08	1.10	1.10	100
143	Fund	1.10	+0.02	1.12	1.08	1.10	1.10	100
144	Fund	1.10	+0.02	1.12	1.08	1.10	1.10	100
145	Fund	1.10	+0.02	1.12	1.08	1.10	1.10	100

## AMERICANS

Code	Share	Price	Change	High	Low	Open	Close	Volume
146	Amer	1.10	+0.02	1.12	1.08	1.10	1.10	100
147	Amer	1.10	+0.02	1.12	1.08	1.10	1.10	100
148	Amer	1.10	+0.02	1.12	1.08	1.10	1.10	100
149	Amer	1.10	+0.02	1.12	1.08	1.10	1.10	100
150	Amer	1.10	+0.02	1.12	1.08	1.10	1.10	100

## BEERS, WINES AND SPIRITS

Code	Share	Price	Change	High	Low	Open	Close	Volume
151	Beer	1.10	+0.02	1.12	1.08	1.10	1.10	100
152	Beer	1.10	+0.02	1.12	1.08	1.10	1.10	100
153	Beer	1.10	+0.02	1.12	1.08	1.10	1.10	100
154	Beer	1.10	+0.02	1.12	1.08	1.10	1.10	100
155	Beer	1.10	+0.02	1.12	1.08	1.10	1.10	100

## BUILDING INDUSTRY, TIMBER AND ROADS

Code	Share	Price	Change	High	Low	Open	Close	Volume
156	Build	1.10	+0.02	1.12	1.08	1.10	1.10	100
157	Build	1.10	+0.02	1.12	1.08	1.10	1.10	100
158	Build	1.10	+0.02	1.12	1.08	1.10	1.10	100
159	Build	1.10	+0.02	1.12	1.08	1.10	1.10	100
160	Build	1.10	+0.02	1.12	1.08	1.10	1.10	100

## CANADIANS

Code	Share	Price	Change	High	Low	Open	Close	Volume
161	Canad	1.10	+0.02	1.12	1.08	1.10	1.10	100
162	Canad	1.10	+0.02	1.12	1.08	1.10	1.10	100
163	Canad	1.10	+0.02	1.12	1.08	1.10	1.10	100
164	Canad	1.10	+0.02	1.12	1.08	1.10	1.10	100
165	Canad	1.10	+0.02	1.12	1.08	1.10	1.10	100

## BANKS AND HIRE PURCHASE

Code	Share	Price	Change	High	Low	Open	Close	Volume
166	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100
167	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100
168	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100
169	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100
170	Bank	1.10	+0.02	1.12	1.08	1.10	1.10	100

## DRAPERY AND STORES

Code	Share	Price	Change	High	Low	Open	Close	Volume
171	Drapp	1.10	+0.02	1.12	1.08	1.10	1.10	100
172	Drapp	1.10	+0.02	1.12	1.08	1.10	1.10	100
173	Drapp	1.10	+0.02	1.12	1.08	1.10	1.10	100
174	Drapp	1.10	+0.02	1.12	1.08	1.10	1.10	100
175	Drapp	1.10	+0.02	1.12	1.08	1.10	1.10	100

## ELECTRICALS

Code	Share	Price	Change	High	Low	Open	Close	Volume
176	Elect	1.10	+0.02	1.12	1.08	1.10	1.10	100
177	Elect	1.10	+0.02	1.12	1.08	1.10	1.10	100
178	Elect	1.10	+0.02	1.12	1.08	1.10	1.10	100
179	Elect	1.10	+0.02	1.12	1.08	1.10	1.10	100
180	Elect	1.10	+0.02	1.12	1.08	1.10	1.10	100

## INTERNATIONAL BANK

Code	Share	Price	Change	High	Low	Open	Close	Volume
181	Int'l	1.10	+0.02	1.12	1.08	1.10	1.10	100
182	Int'l	1.10	+0.02	1.12	1.08	1.10	1.10	100
183	Int'l	1.10	+0.02	1.12	1.08	1.10	1.10	100
184	Int'l	1.10	+0.02	1.12	1.08	1.10	1.10	100
185	Int'l	1.10	+0.02	1.12	1.08	1.10	1.10	100

## CORPORATION LOANS

Code	Share	Price	Change	High	Low	Open	Close	Volume
186	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100
187	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100
188	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100
189	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100
190	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100

## COMMONWEALTH & AFRICAN LOANS

Code	Share	Price	Change	High	Low	Open	Close	Volume
191	Comm	1.10	+0.02	1.12	1.08	1.10	1.10	100
192	Comm	1.10	+0.02	1.12	1.08	1.10	1.10	100
193	Comm	1.10	+0.02	1.12	1.08	1.10	1.10	100
194	Comm	1.10	+0.02	1.12	1.08	1.10	1.10	100
195	Comm	1.10	+0.02	1.12	1.08	1.10	1.10	100

## LOANS

Code	Share	Price	Change	High	Low	Open	Close	Volume
196	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100
197	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100
198	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100
199	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100
200	Loan	1.10	+0.02	1.12	1.08	1.10	1.10	100

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## U.S.-EEC rift likely over North Sea oil

BY JONATHAN CARR IN BONN

THE U.S. and European Community countries are likely to find themselves at odds over the status of Britain's North Sea oil supplies when Western energy Ministers meet later this year.

The disagreement arose during the final stages of the summit conference of seven industrialised nations in Tokyo in June. So far, according to West German officials, there is no sign of a solution, although the issue is one of key importance to the energy-saving strategy outlined in the Tokyo summit communiqué.

The four Community countries present — West Germany, France, Britain and Italy — agreed to set limits on their annual oil imports up to 1985, equal to actual imports last year. In exchange, the U.S. agreed on a specific medium-term objective for limiting its oil imports.

However, it is understood that President Carter believed the Community commitment to

freeze imports at 1978 levels included their purchases of North Sea oil from Britain. The Europeans felt they were committing themselves only to freeze imports from outside the EEC.

The difference is not yet large. Last year West Germany imported 95.7m tonnes of crude oil, of which 6.4m tonnes came from Britain. However, it is felt even that relatively small quantity is of great value in the struggle to live up to a series of precise energy-saving commitments.

The energy Ministers of the Seven Tokyo summit countries are now to meet in a follow-up conference to see how the summit decision are being implemented and—in the case of EEC oil imports—to try to define exactly what the Tokyo communiqué implied.

While the communiqué mentioned that a high-level group would meet later to assess progress, it was President Valéry Giscard d'Estaing of France who, after the summit, pressed

hard for a meeting at Ministerial level without delay.

The West Germans agreed that Ministers should meet—but there remains some doubt about the precise date and place. It is understood that some Community countries would prefer to wait until after the next European Energy Council meeting in early October before going ahead with the Ministerial gathering.

West Germany seems likely to find it very hard to live up to yet another promise—this one made by all members of the International Energy Agency—foreseeing a cut in oil consumption this year of 5 per cent below original estimates.

A group of energy officials met in Bonn last week under Count Otto Lambsdorff, the Economics Minister, but little emerged which would help achieve this cut. Government officials agree that more dramatic measures are called for, but there is little agreement on what these might be.

## Living standards in U.S. 'could fall drastically'

BY DAVID BUCHAN IN WASHINGTON

LIVING STANDARDS of the average American will fall drastically in the 1980s unless the U.S. reverses its decline in economic productivity, according to a key Congressional study which implicitly criticises the Administration's hesitancy to stimulate growth that might accelerate inflation.

The Congressional Joint Economic Committee report came on the same day as President Carter was due to meet leaders of the food processing industry to persuade them to reduce what the Administration believes are excessive profit margins in the sector.

The Administration complaint is based on the fact that while U.S. wholesale food prices fell at an annual rate of more than 17 per cent during the second quarter of this year, retail prices still rose some 7 per cent in the same period.

both parties, the main problem affecting inflation is low U.S. productivity. Output per man hour in the private sector fell at an annual rate of 3.3 per cent in the first quarter of this year, and at a precipitous annual rate of 5.7 per cent in the second.

This decline has pushed up unit labour costs, which are then reflected in higher prices, the report says. Only increased production can win the long-term battle against inflation, says the committee, by getting more goods on the shelves of our nation's businesses at lower unit costs.

**Restraint**

Though not specifically recommending tax cuts to stimulate new production and productivity—as the Republican Party has done—the report argues for corporate and investment tax reductions.

However, President Carter has instructed his senior staff not to comment about a possible tax cut late this year or early next. His feeling is that such talk undermines the present fight against inflation, which relies on tight budgetary restraint.

The committee's report notes that higher energy prices and planned increases in social security taxes early next year will create a very considerable fiscal drag on the economy.

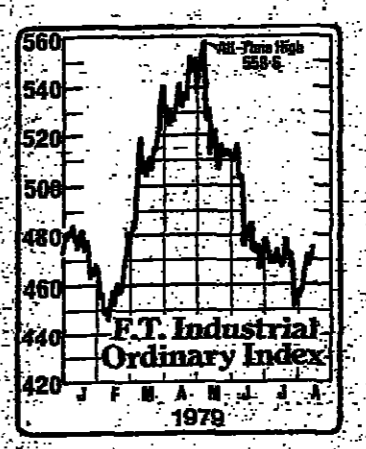
## Lead Industries buys a job lot

THE LEX COLUMN

The gilt-edged market was showing signs of indigestion yesterday—liquidity is in short supply and a £600m call on the 2008-07 stock is due on Monday. But the fall in gilt-edged leaves the new short top looking rather dear, so that its tender tomorrow should not cause too much trouble to the money markets, which yesterday had to struggle to accommodate the £480m recall of special deposits.

The real economy, meanwhile, looks every bit as volatile as the markets—output seems to have been picking up but retail sales have been decimated after the Budget boom.

Index rose 5.8 to 475.8



**Lead Industries**

The U.S. group NL Industries has been pulling out of its considerable metal interests for several years now in order to concentrate on oil services. Its disengagement is gathering pace, which provides a useful opportunity for Lead Industries to pick up North American assets in businesses it knows well at a price which reflects their lack of glamour and the expense of meeting U.S. anti-pollution requirements.

Lead Industries, which bought a small company from NL, as recently as last year, has now been offered a job lot and has agreed in principle to buy four NL units at book value, \$50m. It reckons that the financing costs of the acquisition—say \$5m a year after allowing for some trade creditors—will be more than covered by current profits, and that there should be substantial room for raising earnings in the future.

The acquisition is something of a mixed bag: lead stabilisers, battery oxides, solders and fluxes and materials for ceramic manufacture. But all these diverse activities are more or less familiar to Lead Industries, and the resulting U.S. operation which should generate sales of something like \$150m in 1980, will reflect the broad spread of the group's worldwide business — only paints and dewatering will be missing. The main obstacle at the moment is approval from the U.S. authorities—Lead Industries will certainly be anxious to avoid the problems that its major shareholders, Imperial, encountered when it bid for Copperwell Corporation.

crisis quietly disappearing into history it was generally assumed that the authorities had lost interest in the subject. However, the passing of the 1979 Banking Act has once again focused attention on the thorny issue, and the Bank of England and the banks are currently engaged in hurried and clandestine discussions to sort out their thoughts. Before it issues the new banking licences the Bank of England has to ensure that the applicant is carrying on business in a "prudent manner". In particular, it has to take account of the "scale and nature of the liabilities" of the institution and the "nature of its assets and the degree of risk attached to them."

This does not lend itself to the "sagging" and informal attitude to capital adequacy that has characterised the Bank of England's approach in the past. The authorities have to be more specific and in the draft proposals now under discussion the Bank has tried to identify the amount of capital required to cover the various types of bank assets. In addition, it is proposing two professional ratios — a gearing ratio (similar to the old free capital ratio) and a risk asset ratio. So far, however, it does not appear to be stipulating any minimum acceptable level for the ratios although it is hard to see how it will be able to avoid doing so at some stage.

Stimley to reduce its bank debt from £45.6m in March, 1978, to a current figure of around £5m. And, property sales plus the capital profit on the early repayment of a debenture have more than offset the impact of a £5m book loss on the French disposal. Based on valuations made a year earlier, net worth this March stood at £60m, or 375p per share.

It will be a couple of months yet before up-to-date valuations can be made and bid terms finalised. Drawing a line through some of the figures produced by other major groups recently suggests an uplift in prime property value of maybe a quarter or so in the last year and a half. Add in some kind of surplus on the construction side, which is scheduled to be sold off to the Stimley family, and net assets could emerge at a bit over 500p per share. However, there is always a risk that the two sides will not reach agreement this time around, and even if all goes well it will become "flimsy" before money changes hands. That is why the shares closed last night at 485p.

**Saraber**

By invoking the aid of the European Commission, Saraber, an outsider, forced the Bank of England to describe and to apply conditions for membership to the City money market. It has now altered itself to comply with the Bank of England's requirements and has thus gained entry.

The changes to Saraber required by the Bank cannot be described as painful. The money broker has been asked to take on board three established operators in the London money market. Other Saraber executives must disperse themselves from London to concentrate on Saraber's overseas interests — a mild punishment in what is a round-the-clock international market.

The case has attracted attention because it has pitted the idea of Brussels concerning free entry into markets against a particularly opaque example of the City of London's self-regulation. The result has been a compromise and also an improvement. The power of informal regulation remains; it is now firmly in the hands of the Bank. And it is much better for an international market place that potential entrants should know who is in charge, and what standards are demanded, than to come up against an ill-defined barrier of exclusivity.

## Chrysler UK strike leads to lay-offs at Linwood

BY LISA WOOD

MORE THAN 2,000 workers at Chrysler UK's Linwood plant in Scotland are to be laid off tomorrow because of the strike at the company's Stoke factory in Coventry, now in its fifth week.

A further 2,000 of the 7,000-strong Scottish workforce will be laid off at the end of the week. All production of Chrysler UK's Avenger and Sunbeam models will stop tonight when the Linwood production line is halted.

The strike over a pay dispute has stopped the supply of engines to Linwood. Production of the Alpine model also ceased nearly six weeks ago when the company's Ryton plant in Coventry went on strike.

But Chrysler UK — which sells its models under the Talbot name after being taken over by Peugeot-Citroen — said it had adequate stocks of all three models until the end of the month.

Stocks of the cars have been built up because of the car workers' annual three-week holiday at the end of July and in early August.

Chrysler UK said that Alpine cars could be imported from the company's French assembly plant near Paris. It said: "If

the strike goes on after the end of the month we would consider diverting Alpine models to the UK from the Continent."

Chrysler UK produces on average 1,000 Alpines a week from the Ryton plant and 2,000 Avenger and Sunbeam models a week at Linwood.

Chrysler dealers said yesterday that stocks of Alpine cars were low, but plenty of the other models were still being delivered. George Heath, Chrysler UK's main Birmingham dealer, said: "Customers are now cancelling orders for Alpines; they will not wait. Before the strike we could sell more than we could get."

Dealers reported a general lull in demand for all new cars last month when new car sales, at \$2,252, were the lowest in any July for at least 10 years.

However, Chrysler UK, with sales of 4,329 new models in July, slightly improved its market share during the month — up to 8.29 per cent compared with an average of 7.51 per cent for the first seven months this year.

A protest march by strikers from Chrysler's Ryton plant in Coventry was called off yesterday because of lack of support. Only 60 men — instead of the expected 1,000 — turned up for the march from Coventry city centre to Chrysler's administrative headquarters at Whiteley, two miles away.

Shop stewards now plan a mass meeting of the 2,000 strikers outside the factory tomorrow morning. Mr. Pat Fox, the Transport General and Municipal Workers' convenor, said: "They had better turn up and demonstrate if they want to show they are still totally opposed to the company's offer."

Both Coventry plants are protesting at the company's offer of a 51 per cent pay increase. Chrysler UK insists that it cannot afford a high award as a loss of £30m is already forecast for this financial year. The company has told the unions that a proposed incentive scheme could yield an extra £5m or more a week.

Production of the BL Triumph Dolomite, Spitfire, and some TR7 sports cars in Coventry will be halted from today because of a strike by 200 men in the paint shop.

Talbot protest, Page 6.

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Talbot protest, Page 6.

## Main problem

This "jawboning" effort by the President on a key sector is considered vital by Mr. Alfred Kahn, and the President's other anti-inflation advisers. If the Administration is to gain wider acceptance for its voluntary incomes policy, due to be revamped as it enters its second year on October 1.

But, according to the joint committee report issued by Congressmen and Senators of

## Car part franchises 'should be ended'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE EXCLUSIVE supply of car spares through the major car companies' franchised dealers should be abandoned, according to an unpublished Price Commission report.

The report was completed last May but so far the Government has shown no signs of publishing it. The practice of franchised car spares outlets refusing to carry other manufacturers' spare parts is a restriction on competition, it says.

In particular, the franchising system is preventing UK manufacturers from gaining access to the rapidly growing number of foreign cars in the UK.

The report is critical of labour relations within the car components industry. It suggests that, without a significant improvement in the industry's price record, any other improvements will be wasted.

The high level of recommended retail prices for some popular car spares, such as sparking plugs and oil filters, is also criticised.

Within the trade, there is some suspicion that the Government is embarrassed by the report's far-reaching conclusions. There is also concern that confidential information in the report should not be published. But several manufacturers feel that the report should appear soon, and that the Government should act on its conclusions.

The car spares industry is effectively dominated by the major car manufacturers.

The big four UK manufacturers — BL, Ford, Talbot and Vauxhall — provide some 20 per cent of car spares themselves and take another 30 per cent from specialist components manufacturers. Franchised dealers are allowed to sell only those spares provided by the car manufacturer, even though other spare parts would be acceptable substitutes.

The commission points out that the decline in UK car production and the rapid increase in imported cars, limits the potential outlets for UK components manufacturers' production. The commission recommends that the exclusive nature of franchise outlets should be abandoned to allow UK components manufacturers wider access to the markets. This would also enable pressure to be put on distributors of foreign cars to end their exclusive franchises for foreign spares.

News Analysis, Page 5.

## Racal wins big American orders

BY JOHN LLOYD

RACAL, the UK communications equipment company, has won two defence contracts in North America in what it believes to be a major breakthrough into a highly lucrative market.

The contracts are worth about \$16.5m (over £7m) and are for the supply of radio communications receivers to the U.S. Air Force and the Canadian armed forces. They are the largest ever received by the company's U.S. subsidiary, Racal Communications, based in Rockville, Maryland.

The orders — for at least 2,000 receivers — are seen as opening the way to larger contracts from

the U.S. and Canadian armed services.

The company said yesterday that the U.S. order — worth \$11m (£5m) — is an initial contract, and is "the start of the replacement programme for the ageing R-390 receiver, of which there have been more than 40,000 in worldwide operation with the U.S. armed forces and many other nations since it was introduced in 1950."

Now the U.S. will buy the new Racal RA6790/GM, which has not yet been officially announced by the company. Racal said that it had offered a better price than its American competitors. Delivery of the

sets will be over the next five years.

The Canadian contract is for another new Racal receiver, the RA6778C. Delivery will be made over two years, and sub-contract work will be handled by the company's small Racal (Canada) subsidiary in Ottawa.

Both the U.S. and Canadian armed forces follow a policy of buying from domestic suppliers. Mr. Ernest Harrison, Racal's chairman, said yesterday that the contracts, "won against heavy competition from major U.S. companies, clearly emphasise the lead that Racal has established in receiver techniques."

## Retail sales down

7.7 per cent higher in value terms and in the latest week recorded, ending on August 4, the increase was 9.5 per cent. This was still below last year's performance in volume terms, but the gap has been closing.

Mr. Terry Curry, joint managing director of the Currys electrical chain, said his group's trading had followed a similar pattern.

He expected volume to have caught up with last year's performance within the next four weeks. By then the effect of Budget boom and its aftermath was likely to be a small net volume gain compared with last year.

Longer-term comparisons, to even out the bunching of spending in June, show that the average volume of sales in the first seven months of this year was about 1.4 per cent higher than the average level in the previous half-year.

In the May-July period sales were 4.4 per cent higher than in 1978. This rate of growth is in line with the forecast by the Retail Consortium, which represents a wide range of stores, of a 4 per cent gain in sales this year over 1978.

RETAIL SALES			
	Volume 1979	Volume 1978	Value % change
	(seasonally adjusted)	(not adjusted)	(not adjusted)
1978 1st	106.4		+13
2nd	107.9		+15
3rd	110.7		+14
4th	111.7		+14
1979 1st	110.3		+13
2nd	116.7		+17
April	115.4		+14
May	113.5		+14
June	120.3		+20
July*	108.1		+11

\* provisional estimate.  
Source: Department of Trade.

Such an outcome would be compatible with the expected increase in real personal disposable incomes this year, which the London Business School has forecast at 4.3 per cent.

The next main impetus to spending is expected to come in October when the second set of tax rebates, due to the cut in rates, takes place.

## Chrysler

In essence, Data Resources argues that Chrysler is the country's tenth largest industrial company and third largest motor manufacturer, but its importance has declined so much in recent years that its loss would not be a lasting calamity.

The underlying economic assumptions are that the second, third and fourth quarters of 1979 will see negative Gross National Product.

## Twelve Soviet nuclear ships may be built

THE MAJOR build-up of Soviet naval forces is continuing, with a new class of heavily-armed nuclear-powered battle-cruisers under construction at the Leningrad shipyards.

The latest edition of Jane's Fighting Ships suggests that 12 of these 32,000-ton vessels, the first nuclear-powered surface warships in the Soviet Navy, may be built.

## Weather

**UK TODAY**

RAIN at first, with brighter periods and showers spreading from the West.

London, Cent. S., E. Cent. N., N.E. England, E. Anglia, E. Midlands, Borders, Edinburgh and Dundee, Aberdeen.

Cloudy with rain, becoming drier later. Max. 20C (68F).

S.E. England, Channel Isles

Cloudy with some rain or drizzle. Max. 21C (70F).

S.W., N.W. England, Wales,

Lake District, W. Midlands

Rain at first becoming brighter with showers. Max. 19C (66F).

I. of Man, S.W. Scotland, Glasgow, N. Ireland

Bright intervals with some showers. Max. 19C (66F).

Orkney and Shetland

Cloudy with some rain or drizzle. Max. 14C (57F).

Rest of Scotland

Rain at first becoming brighter with showers. Max. 17C (63F).

Outlook: Showers with some sunny intervals. Rather cool.

WORLDWIDE TEMPERATURES							
	Y'day	T'day	Y'day	T'day	Y'day	T'day	Y'day
	midday	midday	midday	midday	midday	midday	midday
Algeria	23	28	28	28	23	28	28
Algiers	23	28	28	28	23	28	28
Amman	23	28	28	28	23	28	28
Athens	23	28	28	28	23	28	28
Bahrain	23	28	28	28	23	28	28
Bangkok	23	28	28	28	23	28	28
Batavia	23	28	28	28	23	28	28
Bombay	23	28	28	28	23	28	28
Buenos Aires	23	28	28	28	23	28	28
Calcutta	23	28	28	28	23	28	28
Canton	23	28	28	28	23	28	28
Cebu	23	28	28	28	23	28	28
Colon	23	28	28	28	23	28	28
Hankow	23	28	28	28	23	28	28
Hong Kong	23	28	28	28	23	28	28
Kobe	23	28	28	28	23	28	28
London	23	28	28	28	23	28	28
Lyons	23	28	28	28	23	28	28
Manila	23	28	28	28	23	28	28
Medan	23	28	28	28	23	28	28
Osaka	23	28	28	28	23	28	28
Perth	23	28	28	28	23	28	28
Prague	23	28	28	28	23	28	28
Rangoon	23	28	28	28	23	28	28
Riyadh	23	28	28	28	23	28	28
Rome	23	28	28	28	23	28	28
Singapore	23	28	28	28	23	28	28
Sourabaya	23	28	28	28	23	28	28
Taipei	23	28	28	28	23	28	28
Tokyo	23	28	28	28	23	28	28
Toronto	23	28	28	28	23	28	28
Tripoli	23	28	28	28	23	28	28
Washington	23	28	28	28	23	28	28
Wellington	23	28	28	28	23	28	28
Yokohama	23	28	28	28	23	28	28

## A few words about Tokai Bank's expanding international operations.

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